



Town of Davidson
Affordable Housing and Equity Board Regular Meeting
Community Room 120
251 South Street
Thursday, November 21, 2024 at 6:30 PM

I. CALL TO ORDER

II. WELCOME & INTRODUCTIONS

III. PUBLIC COMMENT

IV. REVIEW/APPROVAL OF MINUTES

a. September 19, 2024, Minutes

Summary: Approve the minutes from the September 19, 2024, regular meeting.

b. October 17, 2024 Minutes

Summary:

V. OLD BUSINESS

a. Subcommittee Updates

Summary: To receive updates from the subcommittee meetings held on September 12, 2024.

b. Group Agreements

Summary: These are the group agreements the Affordable Housing and Equity Board uses to guide deliberations.

c. Discuss Proposed Davidson Planning Ordinance (DPO) Updates to Chapter 5: Affordable Housing

Presenter: Alexander Cahill, Affordable Housing & Equity Director

Summary: Planning Department staff is working with Affordable Housing & Equity Department staff to develop an update to the Davidson Planning Ordinance (DPO) Chapter 5: Affordable Housing. Goals for the update include ensuring that best practices are aligned with the DPO, improving developer-based affordable housing plans and the process to manage said plans, developing incentives to secure more built units, addressing the rental gap (as documented in the Affordable Housing Needs Assessment and Implementation Strategy), simplifying the

chapter's structure, and providing improved clarity and options for developers. Potential options include both administrative (built units or payments-in-lieu), or legislative (opting out of the requirements of the chapter and electing to pursue conditional approval).

Action/Proposed Motion: This item is for discussion only.

VI. NEW BUSINESS

a. Bylaws Update

Summary: The Town Board, in consultation with staff, has determined that 12 members shall be appointed to each advisory board. The existing bylaws state 13 members shall be appointed. As such, this amendment to the bylaws changes the AHEB appointment number to 12 members.

It was also requested by existing AHEB members to discuss removing ex-officios from the AHEB. The existing bylaws state ex-officios may be added or removed by a 2/3 vote of the current appointed Affordable Housing & Equity Board.

b. Addition of a Mid-Term Appointment

Summary: The Affordable Housing and Equity Board recommends adding eCherse SPand of Legacy Davidson as a mid-term appointment to the AHEB.

c. Affordable Housing Action Plan

Summary: The Affordable Housing & Equity Board has requested an action plan that demonstrates and shows what actions the Town is taking to address affordability. This action plan is a list of evidence-based best practices, community requests, staff requests, and Town Board requests that could potentially move the needle on affordable housing in Davidson. The plan is structured in line with the four pillars, with buckets related to educating, creating, preserving, and supporting affordable housing. Each action has a priory year and staff lift associated so that staff can prioritize time and resources. Town staff are looking for feedback on the action plan.

d. Equitable Engagement Draft Framework

Summary: The Town of Davidson is committed to preserving its unique character and charm while also promoting diverse representation, inclusive and welcoming environments, transparency, and accountability. One way that we ensure that these values are being upheld is through community engagement efforts.

VII. OTHER ITEMS

a. Staff Updates

Summary:

VIII. ADJOURNMENT



AGENDA MEMO

To: Davidson Board of Commissioners

From:

Date: November 21, 2024

Re: September 19, 2024, Minutes

ITEM SUMMARY/OVERVIEW

Approve the minutes from the September 19, 2024, regular meeting.

ACTION/PROPOSED MOTION

Approve the minutes from the September 19, 2024, regular meeting.

RELATED TOWN GOALS

NEXT STEPS



AFFORDABLE HOUSING & EQUITY BOARD

MINUTES

September 19, 2024, 6:30 p.m.
Community Room 120, Town Hall & Community Center
251 South Street, Davidson, NC

I Call to Order

Chair Tisdale called the meeting to order at 6:32pm.

II Roll Call

Quorum is present (Guernsey, Roeder absent)

III Public Comment

There were no public comments made.

IV Approval of the Minutes from August 15, 2024

Discussion: There was no discussion of the August 15, 2024, minutes.

MOTION: Recommended approval of August minutes (Graf, Duke 2nd)

ACTION: Motion carried, 11-0

V Old Business

A. Updated Bylaws

Discussion: There was no discussion, and the Board made a motion to approve.

MOTION: Recommended approval of amended bylaws (Duke, Sponsel 2nd)

ACTION: Motion carried, 11-0

B. Subcommittee Update

Discussion: The affordable housing subcommittee reported on the DPO presentation made by the Planning Director. The committee stated the presentation would come to the full board and we would discuss it in October. The equity subcommittee shared in on their discussion of the Town; s definition of equity, the idea of helping support and operationalize the definition, and

asked how the Town Board uses it. The group stated they would use it to: conduct analysis, define the problem and opportunities, and inform restorative justice in the Town's work.

C. Ex-Officio Quarterly Update

Lake Norman CDC, Davidson Housing Coalition, Habitat for Humanity Charlotte, and the Davidson Community Foundation shared in updates. A representative of Ada Jenkins was not present.

VI New Business

A. DPO Chapter 5 Amendment

Discussion: The Board voted to continue to the October 17, 2024 meeting.

VII Other Items

Town staff did not present in on the Affordable Housing Implementation Strategy. Town staff stated that a draft action plan would come before the Board in November.

VIII Staff Announcements

- A. Updates from Town Board of Commissioners meeting
- B. Updates on what's coming up in the Town
- C. 153 Mock Road
- D. MLK Day Help

IX Adjournment

- A. Referred to the group agreements to see how well they worked
- B. Chair Tisdale requested an adjournment at 8:36pm

MOTION: Move to adjourn (Guernsey, Duke 2nd)

ACTION: Motion carried, 11-0



AFFORDABLE HOUSING & EQUITY BOARD

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AFFORDABLE HOUSING & EQUITY BOARD

GROUP AGREEMENTS

1. Embrace the truth, lived experience and history, and test your assumptions
2. Seek understanding and be curious
3. Create space for others to share
4. Be here, be present, be engaged
5. Honor and accept personal responsibility – be vulnerable and thoughtful
6. Be patient, tolerant, and have grace
7. Embrace tension, be agreeable while working together
8. Utilize the parking lot for tangents



AGENDA MEMO

To: Davidson Board of Commissioners

From: Alexander Cahill, Affordable Housing & Equity Director

Date: November 21, 2024

Re: Discuss Proposed Davidson Planning Ordinance (DPO) Updates to Chapter 5: Affordable Housing

ITEM SUMMARY/OVERVIEW

Planning Department staff is working with Affordable Housing & Equity Department staff to develop an update to the Davidson Planning Ordinance (DPO) Chapter 5: Affordable Housing. Goals for the update include ensuring that best practices are aligned with the DPO, improving developer-based affordable housing plans and the process to manage said plans, developing incentives to secure more built units, addressing the rental gap (as documented in the Affordable Housing Needs Assessment and Implementation Strategy), simplifying the chapter's structure, and providing improved clarity and options for developers. Potential options include both administrative (built units or payments-in-lieu), or legislative (opting out of the requirements of the chapter and electing to pursue conditional approval).

ACTION/PROPOSED MOTION

This item is for discussion only.

RELATED TOWN GOALS

Strategic Plan Alignment

Affordable Living, Equity & Inclusion - Work together to foster a culture of equity, belonging, inclusion, and advance the Town's Affordable Housing program. Provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice.

Core Values

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

NEXT STEPS

Work with Planning Board Ordinance Committee, Affordable Housing & Equity Board, and other stakeholders to develop proposed text.



Davidson Planning Ordinance (DPO) Chapter 5 Proposed Text Amendments

Jason Burdette
Planning Director
August 27, 2024

www.townofdavidson.org

Strategic Plan

Goal D: Affordable Living, Equity & Inclusion– Work together to foster a culture of belonging, inclusion, and advance the Town’s Affordable Housing program.

- Priority Strategy 1: Advance priorities identified in the Affordable Housing Needs Assessment Implementation Strategy.
- Priority Strategy 4: Research workforce housing options and opportunities.

PLAN SUPPORT (CONT.)

Davidson Comprehensive Plan

Goal 5.2 Diverse and Inclusive Housing Options:

- Policy 5.2.1 Foster a Diversity of Housing Options: Foster a diversity of well-integrated housing options within neighborhoods...not limited to tenure, type, and income.
- Policy 5.2.2 Promote Permanent Affordable Housing Infrastructure: Promote the construction, protection, and management of high-quality affordable housing including low-income and very low-income households...Affordable homes should continue to be required and provided...
- Policy 5.2.6 Support Private Devp't of Affordable Housing: Continue to promote the construction of affordable housing in private development through incentives, regulations...

PLAN SUPPORT (CONT.)

Affordable Housing Needs Assessment & Implementation Strategy

ASSESSMENT:

- Goal: Create New Affordable Housing Units
- Greatest Need: Those Earning Less than 80% AMI & Rental

IMPLEMENT (CREATE):

- Developer Incentives
- Affordable Housing Ordinance

PROPOSED CHANGES: PURPOSE

- **Ensure that Best Practices Align with DPO**
- **Improve Developer Affordable Housing Plans**
 - Template/Management
- **Develop Incentives to Secure More Built Units**
- **Address the Rental Gap**
 - Affordable Housing Needs Assessment/Implementation Strategy
 - Data Based
- **Simplify Chapter's Structure**
- **Improve Clarity & Options for Developers**

PROPOSED CHANGES: DRAFT SUMMARY

- **DPO 5.1 General Goals**

- Clarify Goals of Chapter
- Direct Ties to Adopted Plans
 - Comprehensive Plan
 - Strategic Plan
 - Affordable Housing Needs Assessment + Implementation Strategy
- Direct Ties to State Statute (N.C.G.S. 160D & N.C.G.S. 157)

PROPOSED CHANGES: DRAFT SUMMARY

▪ **DPO 5.2 Affordable Housing Standards**

- Increase Development Applicability to 12 units (Aligns with 12.5% Goal)
- Provide Options for Compliance
 1. Administrative: Build Units or Payment-in-Lieu (PIL)
 2. Legislative: Opt-Out of Chapter Requirements; Enter Conditional Process
- Clarify Compliance Through Various Processes (Master Plan, Construction Docs, Final)
- Remove Complex AMI Distribution Table
- Simplify Required Units/Built Unit Waiver Incentive

PROPOSED CHANGES: DRAFT SUMMARY

- **DPO 5.3 Affordable Housing Plan**
 - Clarify Exact Requirements of Affordable Housing Plans
(Plug & Play Template)
 - Remove Excess Requirements Better Suited for Policy Docs

PROPOSED CHANGES: IDEAS

- **Should Town Maintain 12.5% Requirement?**
 - Pros/Cons of Built Unit Waiver Incentive
- **Should Town Maintain Built Unit Waiver Incentive?**
- **Options: Administrative (Comply) & Legislative (Opt Out, Cond.)**
- **Explore Ways for Affordable Rental to be Included in Multi-Family Development**

PROPOSED CHANGES: FEEDBACK

- **Staff (Planning, Affordable Housing & Equity, Town Attorney)**
- **Planning Board Ordinance Committee (PBOC)**
- **Affordable Housing & Equity Board (AHEB)**
- **Other Stakeholders**
 - Developers
 - Consultants
- **Case Studies**
 - Other Communities Working on Affordable Housing

NEXT STEPS

Fall:

- Solicit Feedback from PBOC & AHEB
- Solicit Feedback from Developers/Consultants
- Research Case Studies

Winter:

- Begin Formal Text Amendment Process
- Public Hearing & Planning Board Recommendation
- Adoption (TBD)

DISCUSSION



Separating Fact from Fiction to Design Effective Inclusionary Housing Programs

By Lisa A. Sturtevant, Ph.D.

May 2016

Inclusionary housing programs generally refer to city and county planning ordinances that require or incentivize developers to build below-market-rate homes (affordable homes) as part of the process of developing market-rate housing developments. More than 500 local jurisdictions in the United States have implemented inclusionary housing policies,¹ and inclusionary requirements have been adopted in a wide variety of places—big cities, suburban communities and small towns.

Despite the proliferation of inclusionary housing programs, the approach continues to draw criticism. There have been legal challenges around inclusionary housing requirements in California, Illinois, Idaho, Colorado and Wisconsin, among others.² In addition to legal questions, critics have claimed inclusionary housing policies are not effective at producing affordable housing and have negative impacts on local housing markets.

While there have been numerous studies on inclusionary housing, they unfortunately do not provide conclusive evidence about the overall effectiveness of inclusionary housing programs. These studies vary substantially in terms of their research approaches and quality. In

addition, it is difficult to generalize the findings from the existing research because researchers have examined policies in only a handful of places and at particular points in time when economic and housing market conditions might have been quite different. Given these limitations, however, **the most highly regarded empirical evidence suggests that inclusionary housing programs can produce affordable housing and do not lead to significant declines in overall housing production or to increases in market-rate prices.** However, the effectiveness of an inclusionary housing program depends critically on local economic and housing market characteristics, as well as specific elements of the program's design and implementation.



Adam Fagen/Creative Commons (<https://www.flickr.com/photos/afagen>)

Evaluating Inclusionary Housing Programs

Inclusionary housing policies (often referred to as inclusionary zoning policies) link market-rate development to the production of housing affordable to lower-income households. These policies either require that a certain percentage of new units be set aside as affordable or offer development incentives that are only available when affordable units are included as part of the project. The primary goals of inclusionary housing programs are to increase the overall supply of affordable housing and to promote economic and social integration.³ Inclusionary housing policies are becoming an increasingly common local tool for expanding housing options and can now be found in 27 states and Washington, DC.⁴ Long-standing programs in Montgomery County, Maryland, and Fairfax County, Virginia, have produced thousands of affordable housing units and continue to evolve to respond to changing local economic conditions.⁵ Programs in California weathered legal challenges as well as bumpy economic conditions and continue to be an important tool for affordable housing production.⁶ And in the past few years, cities and towns across the country have adopted new inclusionary housing policies⁷ or are working to expand or modify existing programs.⁸

Criticisms of inclusionary housing programs generally center around two arguments: 1) inclusionary housing programs do not produce much or any affordable housing, and 2) inclusionary housing programs have a negative impact on the overall housing market by depressing supply and pushing up market prices. There have been numerous research studies analyzing inclusionary housing programs, and the results from some of this research are often used to bolster the arguments of critics. Some studies have reviewed the economic theory underpinning the criticisms of inclusionary housing requirements. Others are descriptive studies based on program data or reports that are derived from interviews with local policymakers and developers. The

best evaluations use a research design that 1) compares outcomes in localities with inclusionary housing programs to similar localities without inclusionary requirements, and 2) accounts for other factors that could influence housing market outcomes. These types of studies can be difficult to do, but they provide the strongest empirical evidence of the impacts and effectiveness of inclusionary housing programs.

Even with good empirical studies, it can be difficult to make generalizations about inclusionary housing programs because they vary so much from place to place. The specific characteristics of the policies depend on local economic and housing market conditions, as well as on state and local regulatory and political frameworks. Some inclusionary housing requirements are mandatory, while others are voluntary. Inclusionary housing policies can apply jurisdiction-wide or only in a particular area. In some cases, there are exceptions to the affordable housing requirements—for example, small projects with the number of units below a certain threshold may be exempted from the inclusionary mandate. Some localities offer a buyout option, allowing developers to pay an in-lieu fee to an affordable housing fund instead of providing affordable units as part of the new project. And jurisdictions often offer cost offsets or increased density to incentivize developers to include affordable housing. The diversity of inclusionary housing programs has made it difficult to synthesize what we know about the effectiveness and impacts of these policies.

This research brief responds to the main criticisms of inclusionary housing programs, reviewing what is known from the research on the effectiveness and impacts of inclusionary housing programs. This report also highlights what the research shows about the relationship between impacts and program design and local market conditions.

Inclusionary housing policies are becoming an increasingly common local tool for expanding housing options and can now be found in 27 states and Washington, DC.



Do Inclusionary Housing Programs Produce Homes Affordable to Lower-Income Households?

Yes, with some caveats. In some places affordable housing production totals are relatively small, suggesting that an inclusionary housing policy should be considered one component of a comprehensive affordable housing strategy. Furthermore, the effectiveness of inclusionary housing programs also depends critically on the nature of the local housing market and how the program is designed.

Because local jurisdictions are not required to track the number of units produced through their inclusionary housing programs, it is challenging to get a complete picture of how many total inclusionary units have been produced. In addition, many inclusionary housing programs have alternative compliance options. These include in-lieu fees, which are often combined with other affordable housing resources, making it nearly impossible to identify units resulting from an inclusionary housing program. The best estimate available is that, as of 2010, inclusionary housing policies nationally have produced between 129,000 and 150,000 affordable units.⁹ Historically, production has been driven inclusionary housing programs in California and the Washington, DC region, particularly Montgomery County, Maryland.

Two studies have suggested that inclusionary housing programs in California have produced at least 29,000

affordable units. In 2009, the California Coalition for Rural Housing published an online database of 145 local inclusionary housing programs in California, which included a wealth of program information including production totals for those jurisdictions.¹⁰ Using that database and other sources, researchers estimated that the local inclusionary housing programs in California altogether produced about 29,000 affordable housing units between January 1999 and June 2006.¹¹ The Non-Profit Housing Association of Northern California also examined inclusionary housing programs in California, and estimated that by 2007 these programs had resulted in the development of 29,281 units, including nearly 5,000 units developed as a result of in-lieu contributions.¹²

There are also several regional studies of inclusionary housing programs. In a 2008 study, Jenny Schuetz, Rachel Meltzer and Vicki Been examined inclusionary housing programs in the San Francisco region, identifying 55 jurisdictions with inclusionary housing programs and finding that a total of 9,154 inclusionary units had been built under these programs from the 1970s to the early 2000s.¹³ Benjamin Powell and Edward Stringham estimated in 2004 that the inclusionary housing programs in 13 cities in Los Angeles and Orange counties led to the production of 6,379 units over the lifetimes of the programs.¹⁴

Jenny Schuetz and her fellow researchers also examined programs in the Washington, DC and Boston regions. In five counties in the Washington, DC metropolitan area with inclusionary housing programs, an estimated 15,252 inclusionary housing units had been built between the years the various programs were implemented and 2008. Montgomery County, Maryland, was the most productive—and long-standing—program in the region and the nation with more than 13,000 units produced. The situation was different in the Boston metropolitan area, where there were 99 cities and towns with inclusionary housing programs. As of 2008, about 43 percent of those programs had not produced any units. The study authors were not able to collect exact production counts but suggested that the Boston area inclusionary housing programs had “produced relatively few affordable units, probably in part because so many programs in the area [had been] enacted relatively recently.”

Several other studies have documented the affordable housing production associated with inclusionary programs in other parts of the country (see Table 1). For example, Heather Schwartz and her co-authors found that the inclusionary program in Chicago produced more than 200 affordable units per year. In Burlington, Vermont, half of all new residential construction was attributed to the city’s inclusionary housing program. But many programs were found to have had very low production totals. Davidson, North Carolina’s program averaged only five units per year, and Denver’s program averaged only eight units per year.

Based on this research review, it is clear that inclusionary housing programs can and do result in the production of affordable housing units, but there is considerable variability across jurisdictions. The existing research does not systematically address the reasons for the differences in the production totals associated with different programs. However, as will be discussed below, the way the program is designed and the economic and housing market conditions in which it operates are important factors in a program’s success.

TABLE 1. Affordable Housing Units Produced by Local Inclusionary Housing Programs: Results from Key Research Studies

Jurisdiction	Period	Total Inclusionary Units Produced*	Average Number of Inclusionary Units Produced per Year	Source
Montgomery County, MD	1974–2011	13,246	358	a
Fairfax County, VA	1990–2011	2,448	117	a
Prince George’s County, MD	1993–1996 (repealed)	1,600	400	g
San Francisco, CA	2002–2008	1,328	83	c
Chicago, IL	2003–2009	1,235	206	d
San Diego, CA	1992–2003	1,200	109	e
Huntington Beach, CA	2002–2010	1,071	134	c, f
Santa Monica, CA	1990–2009	862	45	d
Emeryville, CA	1990–2009	706	37	c
Mahwah Township, NJ	1985–2010	650	26	c
San Clemente, CA	1999–2006	627	90	c
Santa Fe, NM	1999–2010	593	54	d
Sunnyvale, CA	1980–1999	529	28	c
Freehold Township, NJ	1984–2010	519	20	c
Loudoun County, VA	1993–2001	509	64	g
Montville Township, NJ	1985–2010	407	16	c
Cambridge, MA	1998–2010	385	32	d
Boulder, CO	2000–2009	364	40	d
San Bruno, CA	1999–2006	325	46	c
Monrovia, CA	1990–2003	280	22	f
Brea, CA	1993–2003	278	28	f
Washington, DC	2009–2014	211	42	b
Boston, MA	2000–2004	200	50	e
Burlington, VT	1990–2012	200	9	d
San Juan Capistrano, CA	1995–2003	196	25	f
Chapel Hill, NC	2000–2002	154	77	e
Laguna Beach, CA	1985–2003	139	8	f
Denver, CO	2002–2012	77	8	c
Davidson, NC	2001–2011	54	5	c
Mill Valley, CA	1990–2010	35	2	c
Virginia Beach, VA	2007–2013	7	1	c

*New units, excludes units produced through in-lieu fees.

Sources:

- a. The Urban Institute. 2012. *Expanding Housing Opportunities Through Inclusionary Zoning: Lessons from Two Counties*. Washington, DC: U.S. Department of Housing and Urban Development.
- b. Hende, Leah, Peter A. Tatian, and Graham MacDonald. 2014. *Housing Security in the Washington Region*. Washington, DC: The Community Foundation for the National Capital Region.
- c. Hickey, Robert, Lisa Sturtevant, and Emily Thaden. 2014. *Achieving Lasting Affordability through Inclusionary Housing*. Cambridge, MA: Lincoln Institute of Land Policy.
- d. Brunick, Nicholas, Lauren Goldberg, and Susannah Levine. 2003. *Large Cities and Inclusionary Zoning*. Chicago, IL: Business and Professional People for the Public Interest.
- e. Powell, Benjamin and Edward Stringham. 2004. *Housing Supply and Affordability: Do Affordable Housing Mandates Work?* Los Angeles, CA: Reason Public Policy Institute.
- f. Calavita, Nico and Alan Mallach, eds. 2010. *Inclusionary Housing in International Perspective: Affordable Housing, Social Inclusion, and Land Value Recapture*. Cambridge, MA: Lincoln Institute of Land Policy.
- g. Brown, Karen. 2001. *Expanding Affordable Housing Through Inclusionary Zoning: Lessons from the Washington Metropolitan Area*. Washington, DC: The Brookings Institution Center on Urban and Metropolitan Policy.

Do Inclusionary Housing Programs Reduce Overall Housing Production and/or Increase Market Prices?

If affordability requirements lead to significant increases in the cost of development, it is possible that a local inclusionary housing program could result in a reduction in the overall supply of housing, at least in the short run. Developers could choose to build fewer units in a particular jurisdiction (e.g., in only the most profitable neighborhoods) or decide not to build at all. Affordability requirements could also theoretically lead to increases in the prices of market-rate housing. To subsidize the cost of providing the below-market units, the developer could increase the prices or rents of the market-rate units.

There have been several theoretical discussions of these potential outcomes, as well as empirical evaluations of impacts for specific programs. It is important to understand the economic theory underpinning a potential response to an inclusionary housing requirement.¹⁵ However, the stylized economic discussions tend to exclude an analysis of the cost offsets and incentives that are part of most inclusionary housing programs.¹⁶ Furthermore, the theoretical studies demonstrate that affordability requirements primarily impact the price of land over the long run. But these studies also usually fail to account for the constrained supply of land that puts upward pressure on land prices in many markets where inclusionary housing programs operate.¹⁷ Thus, results from the theoretical literature do not provide adequate practical guidance on the impacts of inclusionary housing programs.

Some empirical studies examine the supply and price effects in localities that have actually implemented inclusionary housing programs. It is difficult to conduct rigorous, methodologically sound impact evaluations of these programs. Ideally, an impact evaluation would estimate changes in housing supply and prices in a particular local jurisdiction with an inclusionary housing program and compare those outcomes to what would have happened in that same local jurisdiction had there not been an inclusionary housing program in place. Of course, this is impossible, so the best approaches compare outcomes in places with inclusionary housing programs to outcomes in similar places without programs and use multivariate analyses to control for other factors that might impact housing supply and prices (e.g., unemployment rates, mortgage rates). Unfortunately, very few research studies have used this rigorous approach in the evaluation of the impacts of inclusionary housing programs.

Among these robust studies, however, the researchers find a mixed bag in terms of the effects inclusionary housing programs have on the overall supply of housing and on market prices, with **generally no impacts on supply and no or modest impacts on prices**. Notwithstanding economic theory, these empirical studies suggest that the relationship between affordability requirements and the housing market is complicated and highly dependent on the unique characteristics of the local economy and housing market and on the specific design, implementation and tenure of particular programs.

The potential impacts of inclusionary housing programs are highly dependent on local economic and housing market conditions.

In a 2002 study of 28 California cities, David Paul Rosen and Associates measured the impact of inclusionary housing programs on housing production, comparing places with and without an inclusionary program and accounting for a set of economic and other factors that could also affect market activity. They found that inclusionary housing programs had no negative effect on overall housing production in California cities, and that housing production was most strongly dependent on the local unemployment rate and the price of new-construction homes.¹⁸

Examining 17 inclusionary housing programs in localities in Los Angeles and Orange counties in California, Vinit Mukhija and his colleagues controlled for characteristics of the local economy and housing market to assess program impacts. They found no negative impact on overall housing supply resulting from the implementation of inclusionary housing programs in localities in these counties.¹⁹

In a recent analysis of 125 local inclusionary housing programs in California, Ann Hollingshead found that when inclusionary housing programs were weakened (in this case as a result of a court decision), rental prices in those localities actually increased, rather than decreased as economic theory might suggest.²⁰ A lack of sufficient data precluded Hollingshead from reporting results on housing starts, though the descriptive data suggest that localities with inclusionary housing policies actually rebounded from the housing market downturn faster than those without.

In their analysis in San Francisco Jenny Schuetz and her co-authors included a series of economic, demographic and housing market characteristics to estimate potential housing market impacts of inclusionary housing programs. Unique to this study is the inclusion of variables that describe particular characteristics of the programs, including the length of time the program had been in existence, whether it was mandatory or voluntary, whether there was a density bonus or an in-lieu option, and the minimum project size that triggered the affordability requirements. They found no impacts on housing production or prices associated with local inclusionary housing programs in the San Francisco region. Conducting the same analysis in the Boston area, they found modest declines (10 percent on average) in

new housing starts and a modest increase in prices (1.4 percent on average) associated with the adoption of a local inclusionary housing program.²¹ While this study includes variables that measure program characteristics, the researchers did not find any significant relationship between program design and outcomes, except that programs that had been on the books longer were more likely to have produced affordable units.

A team of researchers at the National Center for Smart Growth Research and Education also used multivariate analysis techniques to estimate housing market impacts of 65 inclusionary housing programs in California over the 1998-2005 period.²² The researchers found that cities with inclusionary housing programs did not experience a significant reduction in the rate of single-family housing starts. However, the number of multifamily housing starts increased significantly in places with inclusionary housing programs compared with those that did not have programs. As a result, cities with inclusionary housing programs experienced an increase in the share of new starts that were multifamily. The researchers found that inclusionary housing programs were associated with an increase in single-family home prices of 2.2 percent, on average. However, in higher-priced markets the impact was estimated to be as high as five percent.

Most rigorous research on inclusionary housing programs finds no effect on housing starts and only modest, if any, impact on home prices.



TABLE 2. Housing Market Impacts Associated with Local Inclusionary Housing Programs: Results from Key Evaluation Studies

Jurisdiction	Period	Impacts on Overall Housing Supply	Impacts on Home Prices/Rents	Source
California (28 programs)	1981–2001	No negative effect on housing starts	N/A	a
California (65 programs)	1988–2005	No decline in single-family starts; increase in multi-family starts	Increase of 2.2 percent in single-family prices	b
California (125 programs)	2007–2013	N/A	Stricter programs associated with 1.9-percent decline in rents	c
San Francisco, CA (55 programs)	1987–2004	No negative effect on housing starts	No effect on home prices	d
Los Angeles and Orange Counties, CA (17 programs)	1998–2005	No negative effect on housing starts	N/A	e
Boston, MA area (99 programs)	1987–2004	Up to a 10% decline in housing starts	Increase of 1 percent in single-family-home prices	d

Sources:

- a. David Paul Rosen and Associates. 2002. *City of Los Angeles Inclusionary Housing Study: Final Report*. Los Angeles, CA: Los Angeles Housing Department.
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There are descriptive studies that have concluded that inclusionary housing programs have led to a significant reduction in housing supply and a significant increase in housing prices.²³ However, these studies have been widely criticized for their lack of methodological rigor, and their results should be interpreted cautiously.²⁴ In addition, there are numerous case studies of inclusionary housing programs that include accounts that support an adverse impact on housing production and market prices.²⁵ But there are also case studies that have demonstrated no negative impacts.²⁶ The research cited above provides a much better picture of what the market impacts have been in places with inclusionary housing programs. However, there are limitations in the existing research.

First, most of the impact evaluations have focused on the experience in California, which is not necessarily representative of the potential ways in which inclusionary

housing programs would impact housing markets in most of the rest of the country. While some studies have examined the impacts of programs in different regions across the state, the economic, regulatory and political environment in California is different than in many other states. Second, these evaluations (with the exception of Hollingshead’s 2015 report) were conducted using housing market and program data from before the economic recession and housing market downturn, and before key changes to inclusionary housing programs in California that resulted from the Palmer court decision that restricted the design of inclusionary housing programs in the state.²⁷

Finally, although these studies use generally accepted research approaches to study impacts, it is difficult to draw conclusions from the existing research about the specific characteristics of inclusionary housing programs that might make them more or less effective.

Most evaluations of inclusionary housing programs have been done in California. More research is needed on how inclusionary housing programs work in different kinds of markets.

What Factors Are Associated with Successful Inclusionary Housing Programs?

There is a substantial amount of variation in how inclusionary housing programs are designed, how many affordable units they produce, and how they could potentially affect housing starts and home prices and rents. There has been no empirical, systematic analysis of the relationships among program design, local housing market and economic conditions, and impacts of inclusionary housing programs. However, several conclusions may be drawn from the research described above, as well as from case studies and other reports on inclusionary housing programs, about how to design local inclusionary housing programs that are best able to produce affordable housing and limit potential negative impacts on the overall housing supply and prices.

1) Inclusionary housing programs work best in strong housing markets.

By design, inclusionary housing programs link the production of affordable housing to market-rate development. When there is no market-rate construction, there is no affordable housing development.

In case studies of inclusionary housing programs conducted by the National Association of Home Builders, local jurisdictions cited the weakness of the housing market as the primary reason for the failure of their inclusionary housing programs to produce any affordable housing units.²⁸ A review of the state of inclusionary housing programs after the economic recession conducted by Robert Hickey at the National Housing Conference demonstrated that localities that ended their inclusionary housing programs during or after the recession often did so because of weak housing markets.²⁹

In stronger housing markets, inclusionary housing programs do have the potential to produce significant numbers of affordable units with negligible impact on housing markets. For example, housing demand in Fairfax County, Virginia, has been very strong, driven by the fast pace of job growth in Washington, DC and northern Virginia. Inclusionary housing requirements in the Tysons Corner area of Fairfax County have not slowed development. Thousands of apartments are under construction or have received approvals in Tysons Corner since the county approved new affordability guidelines.³⁰

Even in hotter housing markets, there is no one-size-fits-all approach to crafting an effective inclusionary housing program. Based on the existing research and program reviews, there are some characteristics that seem to be associated with more productive and efficient programs.

2) Mandatory programs tend to work better than voluntary programs.

Mandatory programs result in the production of more affordable housing units than voluntary programs do, and despite claims to the contrary, mandatory inclusionary housing programs generally do not depress new construction in strong housing markets.³¹ The evaluations of the impacts of inclusionary housing programs examined primarily mandatory programs and found that these programs have not caused decreases in overall levels of housing production or substantial increases in market prices. In the studies of programs in California, several researchers concluded that the top-producing local programs in the state were mandatory programs.³² Montgomery County, Maryland, has a mandatory program that has produced about 13,000 units since it was implemented in 1974, making it the most productive inclusionary housing program in the country.³³

An estimated 83 percent of all local inclusionary housing programs across the country are mandatory.³⁴ In a historic decision in March 2016, the New York City Council passed legislation to replace the city's voluntary inclusionary housing policy with a mandatory program, creating the nation's largest and most ambitious inclusionary housing program.³⁵

While mandatory programs have been shown to be more effective at producing affordable units, several researchers have concluded that voluntary programs can also produce affordable housing when they are

83%

of all local inclusionary housing programs across the country are mandatory

treated as though they are mandatory (e.g., projects are approved only when they include affordable units) and/or when there are appropriate incentives or offsets (see below) that make the voluntary option attractive.³⁶ In places where mandatory inclusionary housing programs are prohibited by state statute,³⁷ a voluntary program is the only option. Rick Jacobus and others have noted that voluntary programs that offer density bonuses or other incentives in exchange for voluntarily building affordable housing can be effective and also can protect programs from legal challenge.³⁸

3) Effective inclusionary housing programs include incentives that offset the cost to developers.

One of the primary criticisms about the economic literature around the impacts of inclusionary housing programs is that those studies assume that inclusionary housing programs include no incentives or offsets to counterbalance the requirement to provide affordable housing. In fact, most programs include some sort of cost offset or incentive. Density bonuses, modified development standards (e.g., reduced parking requirements), fee waivers, and expedited permit and/or approvals processes are all examples of the types of incentives that are commonly part of inclusionary housing policies.

According to a review of California's inclusionary housing programs by the Non-Profit Housing Association of Northern California, most jurisdictions provide a financial incentive to developers under their inclusionary housing programs. In an assessment of different approaches to designing local inclusionary housing programs, Jenny Schuetz and her fellow researchers found that mandatory programs with no offsets can lead to lower overall numbers of units produced (although the impact can vary depending on local market and economic conditions), but mandatory programs with cost offsets including density bonuses and fast-track permitting are much more effective at creating an environment where an inclusionary housing program can both create more affordable units and mitigate potential negative impacts on the overall housing market. In their evaluation of programs in the San Francisco area, the researchers found that the number of affordable units built increased with the presence of a density bonus.

According to a recent report by Rick Jacobus, increased density has become the most common incentive offered by local inclusionary housing programs.³⁹ Density bonuses can work well in a variety of strong housing markets. However, there are some situations where density bonuses are not as effective. In her analysis of

Montgomery County, Maryland's inclusionary housing program, Karen Brown noted that density bonuses have not been as effective in promoting affordable housing development in areas of the county that are already zoned for high-rise construction. After a certain height and density, land costs become an increasingly smaller portion of overall development costs, and the benefits of the extra density do not provide the same level of subsidy that they would in a smaller-scale project.⁴⁰

Furthermore, increasing density can be a hot-button issue in many communities. Offering a density bonus in exchange for affordable housing production can be difficult if there is strong community opposition to taller buildings and increased density.⁴¹ It is important, then, that the density increases work within the overall community planning process. In addition, density bonuses do not work if a local jurisdiction changes the underlying zoning to allow higher densities by right—that is, without complying with any affordability requirements. Tying the density bonus and affordability requirements to rezoning is an important component of making the link work.⁴²

4) Predictable programs with clear guidelines are most effective.

Nicholas Brunick,⁴³ Rick Jacobus⁴⁴ and others who have studied inclusionary housing programs in depth have raised the importance of predictability in inclusionary housing programs. Ad hoc policies or programs with rules that change at the whim of administrators or elected officials have a good chance of stymieing housing development in a locality. Knowing the rules of the development process is key to builders as they develop pro formas, seek financing for projects and analyze market demand.

In interviews in Fairfax County, Virginia, and Montgomery County, Maryland—both suburbs of Washington DC—researchers found that the most important factor to developers working in a locality with an inclusionary housing program was predictability in the program requirements.⁴⁵ Clear requirements and consistent administration of an inclusionary housing program were important so that developers could better estimate their potential profit; a loss of this predictability could mean a decline in overall housing production as developers choose to build in other markets.

When there is predictability, developers consider affordability requirements as a cost of doing business in a desirable location, similar to other requirements that localities often impose, including design standards, green building techniques and open space dedications.⁴⁶

5) Successful inclusionary housing programs have flexible compliance options.

Flexible compliance options give developers a choice in how to meet affordability requirements associated with an inclusionary housing program. Building affordable units on site as part of the market-rate development has traditionally been the default requirement, but many policies allow developers to build affordable units off-site or contribute cash or land in lieu of building units. Flexible inclusionary housing policies help improve feasibility by offering developers various ways to meet affordability obligations.⁴⁷ For example, a study of programs in the Washington, DC suburbs showed that an in-lieu option made smaller projects more financially feasible under mandatory inclusionary housing requirements.⁴⁸

In several studies in California, researchers found that flexibility in compliance was a key element of productive inclusionary housing programs.⁴⁹ Ann Hollingshead found that programs that require on-site units and those that allow developers to pay a fee in lieu of providing units can both be productive types of inclusionary housing policies. The extent to which one approach is better than the other depends on a range of factors, including the cost of land in the jurisdiction, the ability for the jurisdiction to leverage other resources for affordable housing, the extent of local NIMBYism, the administrative capacity of the local government and the capacity of local non-profit developers. In her analysis, Hollingshead suggested that having a “blended policy” that offers both an on-site option and an in-lieu option can lead to greater affordable housing production.

Rick Jacobus has noted that off-site production using in-lieu fees can result in more overall affordable-housing production in some local markets. However, in addition to being able to leverage resources and having non-

profit developer capacity, the locality also has to have sufficient land on which to build off-site units.

While flexibility can lead to more affordable-housing production, the types of alternative compliance options, if any, should be aligned with the local jurisdiction’s overarching goals. If the primary goal is to promote economic and social integration, off-site or in-lieu options are less likely to be effective. Developers will likely build affordable units in places where land is cheaper, and these units likely will be less connected to transportation, jobs and other community amenities. In large cities and urbanizing suburbs, a limited supply of available land can limit the impact of in-lieu fees. Even with sufficient resources in a local housing trust fund and high-capacity non-profit developer partners, local jurisdictions will not be able to develop affordable housing in high-opportunity neighborhoods if no land is available. Thus, a local jurisdiction’s ability to achieve a goal of economic integration through its inclusionary housing policy could be constrained without an on-site requirement.⁵⁰ However, if a jurisdiction wants to maximize the overall supply of affordable housing in the jurisdiction, regardless of the locations of affordable units, off-site and in-lieu options can be effective.⁵¹ Striking a balance among potentially competing goals is an important part of designing an effective inclusionary housing strategy.

Finally, the flip side of flexibility, of course, is a loss of predictability, which is also a valuable feature of successful inclusionary housing programs. In its review of mandatory inclusionary housing requirements in New York City, the NYU Furman Center for Real Estate and Urban Policy highlighted the importance of having a flexible program that can respond to changing market conditions. However, the authors of the report were quick to point out that flexibility introduces uncertainty and creates a potential for inclusionary housing requirements to become a “politicized process.”⁵²

Striking a balance among potentially competing goals is an important part of designing an effective inclusionary housing strategy.

Conclusions

Almost every community in America struggles with how to ensure there is a sufficient supply of housing for individuals and families of all incomes. With limited federal resources for affordable housing, local jurisdictions continue to look for local tools to create and preserve housing affordable to lower-income households. An inclusionary housing policy can be one important strategy in a local jurisdiction's comprehensive affordable housing strategy. In the right market, adopting an inclusionary housing policy can help facilitate the development of affordable units and promote social and economic integration. Other programs, such as the Low-Income Housing Tax Credit (LIHTC), might produce more overall units, but affordable housing produced through an inclusionary housing program could more effectively distribute housing in high-opportunity neighborhoods.⁵³

An inclusionary housing program utilizes local land use and zoning regulations, which gives local jurisdictions more control over the means by which affordable housing is developed. However, despite this local authority, it is important to keep in mind that housing developed under an inclusionary housing program often requires the use of resources from other, federal programs to make homes affordable to lower-income households, including the LIHTC and Housing Choice Voucher (HCV) programs. Local inclusionary housing programs will not work well in most places if these other resources are not available.

Whenever a policy changes the way housing is built in a community, there is bound to be pushback. Knowing that the best research generally finds either no negative impacts or only very small impacts on housing markets

is important for responding to potential criticisms of proposed inclusionary housing programs. Furthermore, in high- and rising-cost markets, there is good evidence that well-designed inclusionary housing programs can be effective. **In general, mandatory programs in strong housing markets that have predictable rules, well-designed cost offsets, and flexible compliance alternatives tend to be the most effective types of inclusionary housing programs.** Requirements related to other program elements, including income targets and minimum project size, could also influence the effectiveness. There is less research on the impacts of these program design elements on affordable housing production and housing market outcomes.

The best approach to designing the most effective inclusionary housing program for a particular community is to conduct an economic feasibility analysis, which can help clarify the program requirements that would work best in a particular market. In developing its mandatory inclusionary housing program, New York City commissioned a study to evaluate how the program would impact the financial feasibility of new residential development in the city under a range of market conditions and program requirements.⁵⁴ The results of this analysis, which included economic and financial forecasts as well as in-depth interviews with developers in the city, helped the city feel confident that the affordability requirements included in its mandatory inclusionary housing program would actually lead to units being built and would not stifle overall housing development. Not all jurisdictions have the capacity to either conduct or contract out such a study, but a systematic look at the possible ways an inclusionary housing program could be designed and how those elements might operate in a particular locality is an important step for ensuring an effective and efficient inclusionary housing program.

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Formed in 1931, the nonprofit National Housing Conference is dedicated to helping ensure safe, decent and affordable housing for all in America. As the research division of NHC, the Center for Housing Policy specializes in solutions through research, working to broaden understanding of America's affordable housing challenges and examine the impact of policies and programs developed to address these needs. Through evidence-based advocacy for the continuum of housing, NHC develops ideas, resources and policy solutions to shape an improved housing landscape.



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Inclusionary Zoning

What Does the Research Tell Us about the Effectiveness of Local Action?

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As real wages stagnate, racial disparities grow, and housing prices soar in cities across the US, local governments are increasingly adopting laws and regulations that aim to reduce inequalities and improve access to economic opportunity for their residents (Berube et al. 2018; Greene et al. 2016). These new local laws span a broad range of areas, from protections against discrimination to proactive steps to reduce housing costs or raise incomes. At the same time, states are increasingly enacting laws that limit or preempt local action in these areas, often relying on a thin or nonexistent evidence base to suggest that local regulation is inefficient or overly burdensome (Briffault et al. 2018; Einstein and Glick 2017). In these four briefs, we explore and summarize the research on the effectiveness of local action in four areas: minimum wages, paid sick days, rent control, and inclusionary zoning. We also discuss general trends in state and local laws as well as opportunities to fill research gaps and improve evidence-based policymaking in each area.

Local inclusionary zoning (IZ) laws create affordable housing by encouraging or requiring developers to set aside a percentage of housing units to be sold or rented at below-market prices. These laws aim to provide housing to low-income residents who would otherwise be unable to afford it. IZ laws have been growing in popularity, and a recent estimate listed 866 jurisdictions with some form of IZ policy (Thaden and Wang 2017).¹ These laws are also increasingly subject to state preemption: as of 2017, 11 states had adopted laws that prevent localities from enacting mandatory IZ or limit their discretion in designing voluntary IZ policies (Schragger 2017). Proponents of state preemption of IZ often cite concerns about its impacts on private development and prices. Those advocating against preemption argue that affordable housing is most effectively approached at the local level because policy efforts can best be tailored to local market characteristics and needs.² But the evidence on IZ's effects on the private market is mixed, and a consensus has not been reached on whether these policies restrict development or raise prices. Some evidence suggests that IZ is effective at increasing the affordable

housing supply and encouraging economic opportunity, but overall research findings remain mixed. This indicates that the effects of IZ policies may be particularly sensitive to policy design considerations and market characteristics. In this brief, we synthesize the evidence on the effectiveness of local IZ laws and suggest areas in which further research could help policymakers, advocates, and the public improve state and local laws regarding IZ.

State and Local Trends

The first IZ policy, which is still active, began in Fairfax County, Virginia, in 1971.³ Although these policies have existed for decades, they have been growing in popularity over the past decade: over 70 percent of local IZ laws and policies were adopted after 2000 (Thaden and Wang 2017). Most IZ policies are local (adopted by cities and counties), although some state policies also encourage fair siting of affordable housing across diverse communities, such as New Jersey’s Council on Affordable Housing and the Massachusetts Chapter 40B requirement.⁴ The Grounded Solutions Network keeps a database of IZ policies and has identified 866 jurisdictions within 25 states with some type of inclusionary housing policy (Thaden and Wang 2017).⁵ Most programs are concentrated in Massachusetts, New Jersey, and California, but they exist throughout the country.

IZ laws are not identical, and some key differences in their design and implementation may influence their outcomes. Some laws require affordable units to be constructed at the same location as the market units, or “on-site”; others allow off-site affordable construction. Most IZ laws are mandatory, typically requiring developers to set aside affordable units; some other programs are voluntary but provide incentives for inclusionary development. IZ policies can apply to rental or for-sale units and specify varying terms of affordability. Jurisdictions can also offer different incentives to developers in return for building affordable units, such as density bonuses, zoning variances, or fee reductions. According to a recent overview (Williams et al. 2016), varying features include

- whether the law is mandatory or voluntary,
- the set-aside amount (required share of affordable housing; often between 10 and 20 percent),
- whether the law applies to rental or sale properties,
- how the law defines eligibility (such as by household income),
- term limits,
- whether the law applies to the entire jurisdiction or to specific housing types or locations,
- opt-outs (in lieu payments or ability to provide units off-site), and
- incentives.

As of 2017, 11 states had adopted laws that prevent localities from enacting mandatory IZ or that limit localities' discretion in designing voluntary IZ policies (Schragger 2017). In some cases, such as Tennessee, the state legislature acted in reaction to newly adopted local IZ laws, citing costs to developers for compliance.⁶ Oregon recently lifted a blanket ban on mandatory IZ laws and replaced it with restrictions on how local governments can design IZ policies.⁷

Research on Impacts

General Effectiveness of Inclusionary Zoning Laws

IZ laws are intended to create affordable, below-market housing that would otherwise not be created by private developers. IZ policies' effectiveness can be measured in different ways, such as the number of affordable units produced, how long units remain affordable, and who benefits from IZ laws. However, evaluating the effectiveness of IZ programs can be difficult because of variations in the design and implementation of each program that may affect outcomes. For example, mandatory IZ laws may have a different effect on housing construction than voluntary ones. Programs with varying cost offsets, such as density bonuses or fee waivers, may also have different impacts on housing production and other measures of effectiveness. With these limitations in mind, the evidence on the effectiveness of IZ has been mixed and is often dependent on location and policy type.

Estimating the exact number of affordable units created nationwide through IZ is difficult because of a lack of consistent data. Recent studies have claimed total counts of 150,000 to 173,000 (Sturtevant 2016; Thaden and Wang 2017). These estimates can be difficult to interpret because of missing data and variation between programs, but they generally indicate IZ programs are successfully creating affordable housing. However, these estimates represent the total number of units created over decades, since the earliest programs in the mid-1970s, and the number of units varies significantly across regions and jurisdictions.

Most of the units produced are in counties in Virginia, Maryland, Massachusetts, New Jersey, and California. Although IZ policies appear to be successful in producing units, other jurisdictions with IZ laws have produced very few or even no units (Stockton et al. 2016). The lack of effectiveness in some areas has been attributed to weak housing markets, a lack of enforcement, or a lack of development incentives for builders (Stockton et al. 2016). Another challenge is local capacity—some localities may not have sufficient staff available to work with developers to implement IZ requirements (Freeman and Schuetz 2016). Program design also appears to affect the production of affordable housing. For example, one study of programs in California found that mandatory programs produced more housing than voluntary programs (Mukhija et al. 2010). Further, the length of time a policy has been in place has been a significant predictor of the amount of housing produced in suburban Boston, San Francisco, and the Washington, DC, area (Schuetz, Meltzer, and Been 2007).

Another measure of effectiveness is the length of time that IZ can ensure affordability: long affordability windows allow these programs to continue to serve low-income families over time. A

survey of 273 IZ programs found that around 90 percent of IZ laws had affordability terms of at least 30 years (Thaden and Wang 2017). Further, 25 percent of programs had perpetual affordability terms, meaning they apply for the life of the building. Another study of 307 IZ programs found that around 80 percent of both homeownership and rental programs had affordability terms of at least 30 years and that 33 percent of programs required perpetual affordability (Hickey, Sturtevant, and Thaden 2014). The evidence suggests that IZ policies are capable of ensuring lasting affordability for these units.

Finally, homes constructed through IZ tend to serve residents with moderately low incomes, although they are generally not targeted to be affordable to the lowest-income households. Most IZ policies target families that earn 60 to 120 percent of the area median income, or AMI (Stockton et al. 2016). A recent survey of 185 IZ rental programs found that 42 percent of programs served families earning several percentages of the AMI. Thirty-seven percent of programs served families with a maximum income between 50 and 80 percent of AMI (Thaden and Wang 2017). That target population is different than those served by IZ homeownership programs, where a significant number of programs (21 percent) target people with incomes from 101 to 160 percent of AMI. A smaller case study of 11 IZ programs, mostly focused on homeownership, found that more than half serve households making 80 percent or less of AMI; other programs serve households making as little as 30 percent of AMI (Schwartz et al. 2012). Inclusionary homeownership programs appear to target a population with generally higher income than renters served by federal assisted-housing programs such as public housing, the low-income housing tax credit, or housing choice vouchers.

Effects of Inclusionary Zoning Laws on Developers

By requiring developers to sell or rent a percentage of their units at below-market level, IZ policies may drive up costs for market-rate units or reduce the production of new units. This potential for an adverse effect on the private market has been the main basis for state preemption of local IZ laws (Silverstein 2017). However, the evidence on the private-market effects of IZ is mixed. A starting point for recent debates were several 2004 studies conducted by the Reason Public Policy Institute, which concluded that IZ was an ineffective and expensive way to provide affordable housing. These studies examined the effects of IZ laws on cities in California and found that the policies produced few units, increased the cost of market-rate homes, and reduced the construction of new homes (Powell and Stringham 2004a, 2004b). These findings, however, were promptly challenged by researchers who criticized the study's methodology and warned against drawing causality, citing the study's data limitations and its weak, nonrigorous design (Basolo and Calavita 2004). Other studies have since found some evidence that IZ laws are correlated with increasing housing prices: studies of laws in California have found that cities with IZ laws had comparatively higher market-rate housing prices (Bento et al. 2009) and had fewer new homes than cities without IZ laws (Means and Stringham 2012).

However, other research has found no negative impact of IZ policies on housing prices or production. One evaluation of the market effects of IZ found that IZ in San Francisco had no statistically significant effect on housing production (Schuetz, Meltzer, and Been 2011). Another study of mandatory IZ policies in California also did not find any statistically significant effects of IZ laws on

housing supply in these cities (Mukhija et al. 2010). These studies appear to contradict some of the research to support preemption and demonstrate that IZ policies may not affect housing supply.

Overall, evidence that IZ laws negatively affect private market prices and development is mixed. The type of impact these laws have appears dependent on the design of the policy, the neighborhood location, and the housing market in the area. For example, a study analyzing the private-market effects of IZ in suburban Boston found that the policies increased prices and decreased housing production when the housing market was strong, but they did not have an effect when the housing market was weak (Schuetz, Meltzer, and Been 2011). Similarly, in the Bay Area, IZ policies appeared to increase housing prices in appreciating markets but lowered prices when the market depreciated (Schuetz, Meltzer, and Been 2011). Different studies have also found mixed effects in the same study areas, such as cities in California. Further, most studies focus on just a few cities and states, limiting broader applicability of their findings. Many researchers acknowledge the lack of rigorous evidence on the effect of IZ policies on the private market and call for additional research into how these laws truly affect home prices and production.

How Effective Is Inclusionary Zoning at Improving Economic Opportunity?

Most research on IZ has focused on its private-market impacts, but a smaller body of work explores its impact on economic opportunity. IZ can increase economic opportunity and equity by reducing rent burdens for low-income residents, building wealth through homeownership, and creating or preserving mixed-income neighborhoods. IZ laws generally target low-income households, though income requirements vary. A study of 185 IZ policies for rental homes found that 37 percent of these programs set a maximum income between 50 and 80 percent of AMI (Thaden and Wang 2017). However, some research has found that IZ does not effectively target very low-income households, especially compared with other affordable-housing programs (Schwartz et al. 2012).

Although most IZ programs involve rental units, programs that develop below-market homes for sale provide low-income families an opportunity to build wealth through homeownership. An analysis of an IZ homeownership program in Maryland found that the program produced 9,561 for-sale affordable condominiums and townhomes since its inception (Dawkins, Jeon, and Knaap 2017). These units also realized significant gains in equity: despite the price controls, IZ units appreciated at a higher rate than similar market-rate units and were more insulated from price declines during the housing crisis (Dawkins, Jeon, and Knaap 2017). This suggests that IZ can increase economic opportunity through access to home equity for low-income households.

The limited literature evaluating IZ policies' effects on integration suggests that they do generally improve economic integration and provide low-income residents access to high-opportunity neighborhoods. A RAND Corporation study found that 76 percent of homes in Boulder, CO; Burlington, CT; Cambridge, MA; Chicago, IL; Davidson, NC; Denver, CO; Fairfax County, VA; Irvine, CA; Montgomery County, MD; Santa Monica, CA; and Santa Fe, NM, developed through IZ were located in low-poverty neighborhoods that had higher rates of employment and college attainment, although this did vary across jurisdictions (Schwartz et al. 2012). However, the level of economic integration appears

to be dependent on location. One study of the spatial distribution of IZ housing in counties in Maryland and New York found different results in the distribution of IZ units for areas studied. Units in Montgomery County, MD, were dispersed more evenly and sited in high-opportunity areas, while units in Suffolk County, NY, were clustered in predominantly low-income and minority neighborhoods (Kontokosta 2015). Part of the explanation could come down to differences in the specific policies—Montgomery County requires that a certain share of units be provided in affluent neighborhoods and strongly encourages on-site provision of inclusionary units. In Burlington, Fairfax County, Montgomery County, and Santa Monica, neighborhoods with IZ units were found to have a lower AMI than neighborhoods without affordable units (Schwartz et al. 2012).

IZ may also increase economic opportunity by providing access to low-poverty schools and improving educational outcomes for children. One study found that elementary schools serving IZ units had lower proportions of students eligible for free or reduced-price meals than schools without IZ homes assigned to them (Schwartz et al. 2012). Additionally, IZ units were mostly located in attendance zones of slightly better-performing schools than schools with no assigned IZ units. IZ can also affect the school performance of children assigned to these low-poverty schools. Another study evaluated the educational outcomes of students benefiting from Montgomery County’s IZ program, which allows the local public housing authority to purchase IZ units and operate them as public housing (Schwartz 2010). The study found that elementary school students in public housing assigned to low-poverty schools performed better in reading and math than students in public housing assigned to moderate-poverty elementary schools. Further, children living in IZ units remained in low-poverty neighborhoods and schools for an average of eight years, providing them residential stability and the benefit of attending low-poverty schools. Although the research to support IZ’s effect on educational opportunity is limited and highly dependent on location, the evidence does appear promising.

How Effective Is Inclusionary Zoning at Reducing Racial Disparities?

IZ has also been discussed as a way to reduce racial disparities by distributing affordable units to residents of color as well as creating more racially integrated communities (Sturtevant 2016). The evidence to support this is limited, though there has been some research on the spatial distribution of affordable units created through IZ. Another study of units built in Montgomery County, MD, and Suffolk County, NY, focused on whether the units contributed to racial integration. It found that on average, tracts where IZ units were built became more racially integrated than neighborhoods without IZ units (Kontokosta 2014). As with economic integration, the level of racial integration differed: In Montgomery County, racial integration increased significantly without a notable decline in the white population. In Suffolk County, the neighborhoods with IZ units had more African American and Hispanic residents than the county average and experienced greater declines in the white population after the IZ policies were implemented.⁸ This may suggest, as the authors note, “a continued pattern of spatial segregation by race,” and it may be based in part on the realities of the social and economic geography of Suffolk County itself, which vary widely.

Research Gaps

Although local IZ laws are growing in popularity, rigorous research on the social and economic effects of IZ laws is still limited, and significant knowledge gaps remain. Most of the extant research focuses on the private housing market effects of these policies, not all the studies use rigorous methods, and their results are mixed. These studies also tend to focus on a small set of jurisdictions whose programs have been in place for a long time, such as cities in California, Maryland, Massachusetts, and New Jersey. Although these states include a large share of the total number of local IZ policies, they may not be representative of IZ laws around the country, which all have different local contexts. Further research should be done on the private-market impacts of IZ in communities nationwide to create a more representative sample.

Market type also plays a large role in the development of IZ: profitable housing markets can make it easier for developers to set aside below-market units. However, slower housing markets may face barriers in implementing IZ policies because of the potential loss of profit. Most research has looked at the impacts of IZ policies in strong housing markets, and research is sparse on the features of local laws designs that may be more effective across market types. Housing advocates have discussed how IZ can be beneficial for communities in soft or mixed housing markets.⁹ But if IZ is to be more widely applicable as a tool to promote affordable housing, additional research must be conducted on how to design IZ policies that work across a range of market types.

Studies need to consider how different features of IZ policies can have different effects in different locations, and they need to evaluate what components of policy design may be driving impacts (both positive and negative) across jurisdictions. Ignoring distinctions in comparative studies may lead to misleading conclusions, because what works in one setting may not work in another.

As discussed, IZ policies are a promising way to encourage economic opportunity by reducing rent burdens for low-income families, although the types of families served are dependent on program design and eligibility. The range of eligible income levels vary by program, but few programs appear to target very and extremely low-income families to the extent that publicly assisted housing programs do (Schwartz et al. 2012). If IZ policies are to reach more families, more research is needed on how to design programs to ensure deeper affordability. Further exploration of eligibility terms can help policymakers and advocates design programs that meet the housing needs of very low-income families not currently served by most IZ policies.

There are also significant gaps in knowledge of how IZ affects racial and economic equity. Although a few studies have discussed the spatial distribution of units built by IZ, rigorous research has not been conducted that supports whether these laws have a direct impact on reducing racial disparities or improving economic outcomes for residents. IZ may also have an impact on other social outcomes such as crime, health, and access to social services, but these outcomes have generally not yet been studied (Mukhija et al. 2015). Further research should be conducted to determine the specific effects that IZ has on improving equity and other social outcomes.

Conclusion

In many communities, IZ has provided affordable housing to low-income families and provided them with more access to economic opportunity. However, concerns of the potential private-market impacts of these laws have led several states to preempt IZ policies. The evidence that IZ increases housing prices or decreases production is mixed, and outcomes can be affected by differences in program design or the housing market. Existing research points to the benefits of IZ and its ability to create affordable housing, encourage integration, and improve equity. As policymakers consider IZ as a tool to increase affordable housing, additional research should be conducted on how to make IZ policies more effective, equitable, and widely applicable.

Notes

- ¹ Benjamin Schneider, “CityLab University: Inclusionary Zoning,” *CityLab*, July 17, 2018, <https://www.citylab.com/equity/2018/07/citylab-university-inclusionary-zoning/565181/>.
- ² Teresa Wiltz, “Once Seen as a Local Issue, Affordable Housing Is Becoming a State Focus,” *Governing*, October 16, 2018, <http://www.governing.com/topics/urban/sl-affordable-housing-state-legislation.html>.
- ³ David Tuller, “Housing and Health: The Role of Inclusionary Zoning,” *Health Affairs*, June 7, 2018, <https://www.healthaffairs.org/doi/10.1377/hpb20180313.668759/full/>.
- ⁴ For background on the Mount Laurel court decisions and subsequent creation of the Council on Affordable Housing, see <http://fairsharehousing.org/mount-laurel-doctrine/>.
- ⁵ Grounded Solutions Network, Inclusionary Housing Database, 2018, <https://gsn.maps.arcgis.com/apps/webappviewer/index.html?id=331f8a985a244e8fb6e6a2ad23731179>
- ⁶ James Brasuell, “Tennessee Legislature Blocks Nashville’s 2016 Inclusionary Zoning Policy,” *Planetizen*, April 2, 2018, <https://www.planetizen.com/news/2018/04/97998-tennessee-legislature-blocks-nashvilles-2016-inclusionary-zoning-policy>.
- ⁷ Jeff Mapes, “Oregon Legislators Reach Deal On Affordable Housing Legislation,” *OPB*, February 23, 2016, <https://www.opb.org/news/article/oregon-legislators-reach-deal-on-affordable-housing-legislation/>.
- ⁸ After significant thought and deliberation, the authors have decided to use the term “Hispanic” to refer to people of Latin American origin living in the United States. We have decided to employ this term to align with the language used by research sources throughout the brief. However, we recognize that the term “Latinx” is more inclusive of way this group may self-identify. We strive to avoid language that is exclusive and will always attempt to explain the editorial rationale behind the labeling of certain groups.
- ⁹ Stephanie Reyes, “Inclusionary Housing in Soft or Mixed Markets,” *ShelterForce*, May 7, 2018, <https://shelterforce.org/2018/05/07/inclusionary-housing-in-soft-or-mixed-markets/>.

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AGENDA MEMO

To: Davidson Board of Commissioners
From: Alexander Cahill, Affordable Housing & Equity Director
Date: November 21, 2024
Re: Bylaws Update

ITEM SUMMARY/OVERVIEW

The Town Board, in consultation with staff, has determined that 12 members shall be appointed to each advisory board. The existing bylaws state 13 members shall be appointed. As such, this amendment to the bylaws changes the AHEB appointment number to 12 members.

It was also requested by existing AHEB members to discuss removing ex-officios from the AHEB. The existing bylaws state ex-officios may be added or removed by a 2/3 vote of the current appointed Affordable Housing & Equity Board.

ACTION/PROPOSED MOTION

Recommend approval of the amended bylaws.

RELATED TOWN GOALS

Strategic Plan Alignment

Affordable Living, Equity & Inclusion - Work together to foster a culture of equity, belonging, inclusion, and advance the Town's Affordable Housing program. Provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice.

Core Values

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

NEXT STEPS

No additional steps need to be taken.



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SECTION 1: INTRODUCTION AND ORGANIZATION

SECTION 1: INTRODUCTION AND ORGANIZATION

1.1. Purpose

To establish procedures for organizing and executing the duties and responsibilities of the Affordable Housing & Equity Board (AHEB) pursuant to state statute and the Town of Davidson Charter.

1.2. Authority

The Town of Davidson Board of Commissioners formed the Affordable Housing & Equity Board (hereafter referred to as “Board”) in November 2020.

1.3. Functions of the Affordable Housing & Equity Board

The Affordable Housing and Equity Board (AHEB) will help guide the town’s work on the following activities:

- a. Engaging in affordable housing activities;
- b. Engaging in equity and inclusion activities;
- c. providing input and guidance for the town board’s strategic objective to prioritize equity and inclusion;
- d. creating a culture of belonging;
- e. addressing past inequities;
- f. and treating everyone with respect and dignity;
- g. Act as an ambassador on behalf of affordable housing;
- h. Advise on equitable engagement efforts; and
- i. Advise on affordable housing strategic plans.

SECTION 2: MEMBERSHIP AND OFFICERS

2.1. Membership

Appointments by the Davidson Board of Commissioners, are as follows:

- a. Number and Composition. The Board shall consist of twelve (12) members, plus an ex-officio representative from each of the following non-profit organizations: Ada Jenkins Center, Habitat for Humanity, Davidson Housing Coalition, Davidson Community Foundation, Legacy Davidson, and the Lake Norman Community Development Corporation.
- b. Ex Officio. Non-profit representatives shall serve as ex-officio members of the Board. The ex-officio members will not have a vote on matters coming before the Board.
- c. Members must notify the Chair and/or the appropriate Town staff member (typically, the Affordable Housing & Equity Director) in writing to resign from the Board.
- d. All Members will be appointed according to the Board of Commissioners' Rules of Procedure.
- e. Members will serve three-year terms beginning on the first of the calendar year following their appointment.
- f. Members may be reappointed for one subsequent term. Past Members are eligible for reappointment after sitting out three years.

2.2. Ex-Officio Membership

Non-profit organizations, foundations, and academic institutions serving as ex-officio members, may, from time to time, be added or removed based on the changing needs of the Board. The procedure for adding or removing a non-profit, foundation, or academic institution as an ex-officio member should proceed as follows:

- a. Adding a Non-Profit, Foundation, or Academic Institution. Any non-profit, foundation, or academic institution may be added as an ex-officio, non-voting member. A motion made in the affirmative and approved by a majority of the current appointed, voting membership will add the non-profit, foundation, or academic institution to the ex-officio membership. There will be no term limit for this appointment.

- b. Removing a Non-Profit, Foundation, or Academic Institution. Any non-profit, foundation, or academic institution may be removed as an ex-officio, non-voting member. A motion made in the affirmative and approved by 2/3 of the current appointed, voting membership will remove the non-profit, foundation, or academic institution from the ex-officio membership. There will be no term limit for this appointment.
- c. Representatives of non-profits, foundations, or academic institutions removed from ex-officio membership shall be allowed to be appointed to vacancies as voting members of the Board if appointed by the Town Board of Commissioners. There shall be no waiting period required.
- d. Representatives of non-profits, foundations, or academic institution added as ex-officio members may not concurrently serve as appointed voting members of the Board.

2.2.1. Membership

- 1. Ex-officio members and organizations can be nominated by any town staff or Affordable Housing and Equity board members.
- 2. The Affordable Housing and Equity Board must have a simple majority vote to accept new ex-officio members and organizations.

2.2.2. Governance

- 1. Ex-officio members and organizations should agree to providing perspective, partnership, and problem solving + new ideas, and be able to meet monthly as outlined in the bylaws.
- 2. Ex-officio members can appoint members from their organization to represent the organization should they not be able to attend.
- 3. Ex-officio members are non-voting members of the Affordable Housing and Equity Board.
- 4. Ex-officio members are expected to maintain regular attendance at meetings and provide a quarterly update on their organization's activities. Ex-officios that are unable to attend a meeting shall:
 - a. Send a designee in their place; or
 - b. If a designee is not available, submit a report or summary of the organizations activities to the Board Clerk and Chair prior to the meeting.

2.3. The Purpose of Ex-Officios

The Affordable Housing and Equity Board’s membership will include ex-officio members representing organizations and bodies of work connected to the purpose of the Affordable Housing and Equity Board. Ex-officio members will contribute to the board through three key actions:

a. Perspective

Ex-officio members of the Affordable Housing and Equity Board are subject matter experts. They serve on the board because they represent an organization or body of work directly related to the Affordable Housing and Equity Board and the board relies on their expertise in the field when making recommendations, voting on policies, and determining strategy. Ex-officio members will provide guidance and advice to the board based on their experience and expertise.

b. Partnership

Ex-officio members of the Affordable Housing and Equity Board represent organizations and bodies of work activating strategies for the growth of affordable housing and equity in Davidson and the greater Mecklenburg County region. As such, the ex-officio position can strengthen ties and help facilitate collaboration between affiliated organizations, strategies, and the Affordable Housing and equity Board. Ex-officio members and their organizations provide needed partnership to secure and sustain affordable housing and equity efforts in Davidson.

c. Problem Solving + New Ideas

Ex-officio members of the Affordable Housing and Equity Board are uniquely positioned to support affordable housing and equity projects within the Town of Davidson because of their expertise and their organization’s vested interested in solving affordable housing and equity challenges within the town. Therefore, ex-officio members can provide counsel and ingenuity to the Affordable Housing and Equity Board to define opportunities and problem and identify solutions.

2.4. Vacancies

Vacancies are filled by the Town Board. Should a vacancy occur in the middle of a members’ term, a new member will be appointed to the Board according to the Board of Commissioners’ Rules of Procedure.

2.5. Removal

Members may be removed from the Board by the Town Board for cause, which includes violation of these Bylaws. It is requested that, prior to taking action, the Town Board notify a member being considered for removal of the reasons for removal and give such a member an opportunity to respond.

2.6. Officers

The officers of the Board will be the Chair, the Vice Chair, and the Secretary. Officers shall meet the following requirements:

- A. An officer is elected for a term of one year.

B. Officers may be re-elected for up to two consecutive terms.

2.7. Chair

The Chair shall preside at all meetings of the full commission, make committee appointments in consultation with the Vice Chair, and decide all points of order and procedures subject to these rules (unless directed otherwise by a majority vote of the AHEB in session at that time). The Chair shall have the right to vote in the order of their choosing. In addition, the Chair:

1. Shall plan an agenda for each regular meeting in collaboration with the Housing & Equity Director.
2. Shall preside at all meetings.
3. Shall represent the Board and present its recommendations to the Town of Davidson Board of Commissioners or appoint a designee to perform that duty.

2.8. Vice Chair

The Vice Chair shall serve as the acting Chair in the absence of the Chair, and at such time, have all the powers, duties, and voting rights as the Chair. With the resignation or termination of the Chair, the Vice Chair shall ascend to the position of Chair and a replacement for the officer position of Vice Chair shall be selected by Board election from the remaining members who do not currently hold an officer position.

2.9. Secretary

The Secretary's position may be filled by Town staff if necessary. With the resignation or termination of the Vice Chair or the Secretary, a replacement for the officer position shall be selected by Board election from the remaining members who do not currently hold an officer position. The Secretary shall:

1. Take roll call at the beginning of the meeting.

2.10. Temporary Chair

In the absence of both the Chair and the Vice Chair, the Board may appoint any of its members present in session to serve as Temporary Chair until such time that either the Chair or Vice Chair is present, and at such time, have all the powers, duties, and voting rights as the Chair.

2.11. Clerk

The Clerk, provided by the Affordable Housing & Equity Department shall, subject to the direction of the Chair and Board, keep all records, conduct all correspondence of the Board, and generally supervise the clerical work of the Board and its *ad hoc* committees. The Affordable Housing & Equity Director or their designee will serve in the clerk role, and assist in scheduling meetings, coordinating speakers, drafting agendas, and producing other review materials necessary for the Board's work.

The minutes shall include all important facts pertaining to each meeting, including:

- a. Every resolution acted upon by the Board;
- b. All votes of the Board members upon any recommendation, resolution, or other final determination of any question before the Board; and
- c. A record of all votes in a and b above, indicating the names of members voting for, against, absent, or excused from voting.
- d. The Housing & Equity Director or their designee will assist in scheduling meetings, coordinating speakers, drafting agendas, and producing other review materials necessary for the Board's work.
- e. Record minutes of all meetings.

2.12. Election of Officers

Officers shall be elected at the first regular meeting of the calendar year.

2.13. Officer Vacancy

A vacancy in the office of the Chair shall be filled by the Vice Chair succeeding to the office for the balance of the unexpired term.

2.14. Public Representation

Only the Board Chair, or a member designated by the Chair in written form, may speak officially for the Board. Board members may speak publicly as private residents on affordable housing and equity matters, however, they should indicate in such cases that they are presenting their own opinions and not those of the Board (this includes any online or social media posting).

- a. Violators of section 2.12 shall be notified of said infraction by the Chair.

SECTION 3: MEETINGS

The Board conducts meetings in accordance with local and state requirements.

3.1. Open Meetings

All meetings, public hearings, records, and minutes of the Board and its committees shall be made open and available to the public and in conformance with North Carolina Open Meetings Law, N.C.G.S. § Chapter 143, Article 33C.

3.2. Regular Meetings

Regular meetings of the Board shall be held at Town Hall on the third Thursday of each month, beginning at 6:30pm.

All scheduled meetings of the Affordable Housing & Equity Board shall be published on the Town of Davidson website at least 72 hours in advance.

3.3. Special or Additional Meetings

Special or additional meetings of the Board may be called by the Chair, Affordable Housing & Equity Director, or their designee. Procedures for special and additional meetings include:

- a. Written notice of special or additional shall be given to all Board members at least forty-eight (48) hours prior to the meeting and shall state the time, place, and purpose of the meeting.

- b. Additional meetings may be scheduled by the Chair, in consultation with the Affordable Housing & Equity Director or their designee, to accommodate a large number of agenda items ready for Board consideration.
- c. The Board may change the time and location of future meetings at any regular meeting, with appropriate notice to Board members, Town Staff, and the public.
- d. Notice to the public shall be given as required by state law.

3.4. Ad Hoc Committees

Ad Hoc committees will follow North Carolina General Statutes on public and open meeting laws and meet the following requirements:

- a. Public notice of the ad hoc committee will be made. Notice to the public shall be given as required by state law.
- b. The meeting will be held in a location open and accessible to the public.
- c. Minutes of the ad hoc meeting will be kept on file with the Town.
- d. All ad hoc committee meetings, records, and minutes shall be made open and available to the public and in conformance with North Carolina Open Meetings Law, N.C.G.S. § Chapter 143, Article 33C.

3.5. Cancellation of Meeting

Whenever there is no business to come before the Board, the Chair, after consultation with the Affordable Housing & Equity Director or their designee, may dispense a regular meeting by giving notice to all Board members not less than twenty-four (24) hours prior to the start time of the meeting.

3.6. Quorum

A quorum is half of the current appointed Board membership plus one. Quorum does not include ex officio members.

- a. If quorum has not been met by the noticed start time, the Chair will open the meeting, make an announcement that quorum has not been met, and recess for fifteen (15) minutes;
- b. At which time the Chair will determine if quorum has been met. If it has not been met, the items, in consultation with the Clerk, will be continued to a date certain and the meeting will be adjourned.

3.7. Order of Business

The order of business at regular meetings of the Board is recommended to be as follows:

1. Call to Order
2. Roll Call & Determination of Quorum
3. Public Comment
4. Review/Approval of Minutes
5. Old Business
6. New Business
7. Other Items
8. Staff Updates
9. Adjournment

The order of business may be amended by the Chairperson, in consultation with the Affordable Housing & Equity Director or their designee.

3.8. Establishing Time Limits

Establishing time limits is important to ensure all agenda items have the ability to be heard by the Board. The following apply to regular Board meetings:

- a. The Chair may set the amount of time commissioners and community members have to speak.
- b. Community members should direct comments and questions to the Board Chair and members. The amount of time set to speak shall be established at the beginning of each Board regular meeting during the Call to Order.
- c. Time limitation shall be enforced by the Chair or the Clerk.

3.9. Conduct of Public Comment

In order to ensure full consideration of matters before the Board, Board meeting public comment periods shall be conducted in the following order:

- a. Prior to the start of the public comment period, persons wishing to address the Board members will register on a sign-up sheet stationed by the meeting room door.
- b. Prior to beginning the public comment period, the Chair will collect the sign-up sheet and recognize speakers in the order that they registered. Speakers will address the Board members from the podium and special accommodations will be made for persons with a disability with appropriate advanced notice to Town Staff. Speakers will be asked to identify themselves for the record, stating their name and address
- c. In the event a speaker is not able to attend in person, special accommodations may be requested at least 48 hours in advance of the scheduled meeting. Such requests may be submitted to: affordablehousing@townofdavidson.org .

- d. Speakers who have prepared written remarks are encouraged to leave a copy of such remarks with the Chair.
- e. Speakers shall be civil and courteous in their language and presentation. Insults, personal attacks, accusations, profanity, vulgar language, inappropriate gestures, or other inappropriate behavior will not be tolerated.
- f. In order to provide for the maintenance of order and decorum in the conduct of the meeting, the Chair may declare “out-of-order” any person who fails to comply with this policy. The Chair shall caution any such person to abide by the provisions of this policy. Refusal to do so shall be grounds for removal of the speaker from the meeting.
- g. Speakers will address comments to the entire board as a whole and not one individual member. Discussions between speakers and members of the audience will not be permitted during the public comment period.

3.10. Virtual or Electronic Meetings

Virtual or electronic meetings, or portions of meetings held virtually, shall be held in accordance with N.C.G.S. § 143-318 and N.C.G.S. § 166A-19.24, as amended.

3.11. Emergency Declarations & Inclement Weather

If and when the Governor of North Carolina declares a state of emergency, emergency procedures as found in N.C.G.S. § 166A-19.24, as amended, will be followed. These procedures should be followed in consultation with the Affordable Housing & Equity Director or designee, and the Town Manager’s Office.

SECTION 4: AGENDA

4.1. Agenda

The agenda for each regular, special, or additional meeting, shall be prepared by the Affordable Housing & Equity Director, in consultation with the Chair:

- a. The agenda shall be posted according to the procedures outlined by the Town Clerk's Office.
- b. The Board may consider no business unless such an item properly appears on the agenda, or unless such matter is for consideration by the Chairperson.
- c. Public hearing notices must follow state law, as referenced in N.C.G.S § 160A.

SECTION 5: ATTENDANCE

5.1. Attendance

A Board member who is unable to attend a regular meeting of the Board must contact the Affordable Housing & Equity Director, or designee, and Chair at least twenty-four (24) hours before the scheduled meeting and indicate the general reason for being absent (earlier notification is encouraged). The Board will be notified of the absence at the meeting during roll call.

Members are expected to maintain regular attendance and are expected to attend at least 75% of Board meetings within a rolling calendar year. Members that miss two meetings within a rolling calendar year will be reminded by the Chair of the attendance policy. After three absences within a rolling calendar year, the Chair will coach the Board member on the attendance policy. Four or more absences in a rolling calendar year will result in the removal of the Board member.

5.2. Roll Call

- A. Staff will take a roll call vote. Each member will be marked as follows:
 - i. Present
 - ii. Excused Absence
 - iii. Unexcused Absence
- B. Excused Absences are absences that meet section 5.1 above. Unexcused Absences are any absences that do not meet section 5.1 above.

SECTION 6: CONDUCTING BUSINESS

6.1. Decisions

The vote of a majority of those members present shall be sufficient to decide any matter before the Board, provided a quorum is present. No member shall be excused from voting except as required in sections 6.2 and 6.3. of these Bylaws.

- a. All voting shall be by roll call or a show of hands.
- b. A tie vote shall result in a defeat of the motion.
- c. For recommendations to the Town Board of Commissioners, a defeat of the motion shall result in a recommendation for denial.

6.2. Adopted Ethics Policy

Board members shall follow state statutory mandates.

6.4. Motions

Business is brought before the Board by motions, a formal procedure for taking actions. All motions shall be stated in the affirmative. For recommendations to the Board of Commissioners, the motion shall be for a recommendation of approval. In order to adopt a recommendation, a majority of members present shall vote in the affirmative.

In addition:

- a. Board members who intend to vote against the motion make a motion for approval and are welcome to preface their motion with an explanation of this procedure.
- b. Any member, except the presiding Chair, may make a motion or second a motion.
- c. The member who made a motion may withdraw that motion at any time before a vote.
- d. After a motion has been properly made and seconded, any member of the Board, other than the maker and seconder of the original motion, may offer a substitute motion.
- e. If the substitute motion is properly seconded, it shall be discussed and voted upon prior to consideration of the original underlying motion.
- f. If a substitute motion is approved, the initial motion becomes null and void.

6.5. Debate on a Motion

The Chair shall state the motion and then open the floor to debate on it.

SECTION 6: CONDUCTING BUSINESS

- a. The Board member who made the motion is entitled to speak first.
- b. A Board member who has not spoken on the issue shall be recognized before someone who has already spoken.

6.8. Advisory Recommendations

All votes taken by the Board are advisory in nature. The Town Board of Commissioners has the final and formal vote on any item.

6.9. Committees

From time to time, as the need arises, the Board may, at its discretion, establish an *ad hoc* committee of the commission.

- a. The Board shall charge every ad hoc committee and every ad hoc committee shall report on its activities as it is directed to do by the Board.
- b. Committee appointments shall be made by the Chair in consultation with the Vice Chair.
- c. Staff are responsible for ensuring that any ad hoc committee meeting is properly noticed in accordance with state and local laws.

6.11. Suspension of Rules

The Board may, upon affirmative majority vote of its appointed and sworn in membership, suspend these rules of procedure for consideration of any matter before the Board, so long as it does not create a conflict with state law.

6.12. Parliamentary Procedures

Consideration of cases and other business shall be in accordance with the Board's Bylaws. If these Bylaws are silent on an issue of parliamentary procedure, the current edition of Robert's Rules of Order shall govern.

6.13. Time

The Board will hold standard hours to ensure all matters of business can be completed and given equal time, and to ensure transparency to the community it serves.

The Board will fix a start time of 6:30pm on the third Thursday of each month for regular meetings, except for when that Thursday falls on a Town recognized holiday (or when a meeting is cancelled in accordance with section 3.4 above).

6.14. Decorum Reminder

The Rules of Decorum for citizen and Board member participation are available upon request from the Affordable Housing & Equity Department. These rules are held by staff, and any updates to these rules do not require a vote by the Board.

SECTION 6: CONDUCTING BUSINESS

SECTION 7: AMENDMENTS AND REVISIONS

7.1. Rules of Procedure Updates

These rules may, within the limits allowed by law, have amendments proposed to the Bylaws of the Board by being presented at a regular meeting. Amendments to the Bylaws of the Board must be approved by the Town of Davidson Board of Commissioners prior to their adoption.

SECTION 8: History of Rules of Procedure

SECTION 8: HISTORY OF RULES OF PROCEDURE

The Board's Bylaws were originally adopted (INSERT)

8.1. Revisions

June 20, 2024



AGENDA MEMO

To: Davidson Board of Commissioners

From:

Date: November 21, 2024

Re: Affordable Housing Action Plan

ITEM SUMMARY/OVERVIEW

The Affordable Housing & Equity Board has requested an action plan that demonstrates and shows what actions the Town is taking to address affordability. This action plan is a list of evidence-based best practices, community requests, staff requests, and Town Board requests that could potentially move the needle on affordable housing in Davidson. The plan is structured in line with the four pillars, with buckets related to educating, creating, preserving, and supporting affordable housing. Each action has a priority year and staff lift associated so that staff can prioritize time and resources. Town staff are looking for feedback on the action plan.

ACTION/PROPOSED MOTION

Recommend approval of the Affordable Housing Action Plan.

RELATED TOWN GOALS

Strategic Plan Alignment

Affordable Living, Equity & Inclusion - Work together to foster a culture of equity, belonging, inclusion, and advance the Town's Affordable Housing program. Provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice.

Core Values

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

NEXT STEPS

The action plan will go to the Town Board for review.

Educate										
Goals	Strategy (Supply, Subsidy, or Stabilization)	Action Steps	Performance Metric	Priority Score	Begin Implementation Timeline	End Implementation Timeline	Progress to date	Year 1 & 2 Priority	Estimated Town Investment	Basis for Action
Goal E1: Create a marketing and communications plan for affordable housing programs.	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Define affordable housing terms and post on Town website.	Terms have been defined and posted on the Town website.	1	May-24	September 2024 (and Ongoing)	Completed	Year 1 Priority	Staff time	Best practice in the academic field of affordable housing.
	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Educate the development community on what the DPO requires in terms of affordability through the creation of a developers toolkit.	Number of developers and non-profits that can accurately describe Chapter 5 of the DPO, increases from the baseline.	2	May-25	Jun-25	Not started	Year 1 & 2 Priority	Staff time	Interactions with stakeholders, staff, developers, and community members.
	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Develop the fiscal acumen of Town staff around how they can access affordable housing financing, programs, training and exposure.	Number of Town staff that can accurately define affordable housing and accurately describe at least one funding mechanism, increases from the baseline.	2	Oct-24	Ongoing	In Progress	Year 1 Priority	Staff time	Interactions with staff.
	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Work with a consortium in North Mecklenburg to develop, brand, and message the benefits of affordable housing.	A campaign has been funded, launched, and the number of community members who state they have more awareness around affordable housing increases.	1	May-24	Ongoing	In Progress	Year 1 & 2 Priority	One-time investment of \$10,000.	Interactions with stakeholders, staff, developers, and community members.
Goal E2: Develop a homebuyer and homeownership education program.	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Work with DreamKey to expand their existing counseling program to the Town of Davidson.	The number of community members in Davidson receiving counseling increases from the baseline.	2	Jan-25	Ongoing	Not started	Year 2 Priority	\$3,000 annually for marketing materials, ads, and service provision.	Evidence-based best practice in the field of affordable housing.
Goal E3: Develop a financial literacy program.	Develop educational strategies that support the stability of those living in affordable housing.	Research the development of a wealth-building program for those living in rental housing.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Sep-26	Ongoing	Not started	Year 3 Priority	\$5,000 annually for marketing materials, ads, and service provision.	Evidence-based best practice in the field of affordable housing. Evidence-based best practice in the field of equity work.
Goal E4: Develop a landlord training program.	Develop educational strategies that support the stability, subsidy, and supply of affordable housing.	Encourage landlords to accept Housing Choice Vouchers.	Percentage of landlords with 3 or more units accepting Housing Choice Vouchers.	2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Board member request.
	Develop reporting strategies that support the stability, subsidy, and supply of affordable housing.	Consider an ordinance requiring landlords to report tenant, pricing, and unit information annually.	Percentage of landlords with 3 or more units to report annually.	2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing.
	Develop reporting strategies that support the stability, subsidy, and supply of affordable housing.	Consider requiring landlords to submit annual reports to the Town on inspections, living conditions, and violation follow-ups.	Percentage of landlords with 3 or more units to report annually.	2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing.

Create										
Goals	Strategy (Supply, Subsidy, or Stabilization)	Action Steps	Performance Metric	Priority Score	Begin Implementation Timeline	End Implementation Timeline	Progress to date	Priority	Estimated Investment	Basis for Action
C1: Develop Town-owned land with affordable housing.	Add to the supply of affordable housing by the Town modeling leadership in affordable housing development.	Investigate the feasibility of private development community construct concrete pads with utilities installed and donating/landleasing to Habitat or other housing non-profits.	Number of subdivisions that construct a pad with utilities and donate to Habitat in excess of DPO required units.	2	Mar-25	Jun-25	Not started	Year 2 Priority	Staff time	Best practice from other jurisdictions.
	Add to the supply of affordable housing by the Town modeling leadership in affordable housing development.	Conduct an analysis of publicly-owned land that could support construction of affordable housing.	Completed	1	Jul-22	Jul-24	Completed	Year 1 & 2 Priority	Undetermined at this time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
C2: Create an incentive program for market-rate and affordable housing developers.	Create additional layers of subsidy through financial instruments.	Encourage and model usage of the 4% and 9% Low Income Housing Tax Credits (LIHTC) Programs.	Number of units funded through LIHTC increases year over year.	1	May-24	Ongoing	In Progress	Year 1 & 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Create additional layers of subsidy through financial instruments.	Investigate partnerships and a program that can provide a competitive affordable housing loan program for market rate, affordable developers and non-profits to apply for and utilize.	Number of loans issued/number of unitsw created from issued loans	3	Feb-26	Jun-26	Not started	Year 3 Priority	Undetermined at this time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing.
	Develop process improvements that support the stability, subsidy, and supply of affordable housing.	Collaborate with the County on exploring the possibility of a process for priority review for projects with an affordable housing component.	The amount a time a project takes from application submittal to certificate of occupancy decreases over time.	2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Create additional layers of subsidy through financial instruments.	In conjunction with the County, Investigate the feasibility of reducing or eliminating fees for projects that meet affordability standards as part of the advocacy agenda.	Number of applicants that state reduced fees reduced the cost of their project as passed down to the end user increases	3	Mar-25	Aug-25	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Develop process improvements and instruments that support the stability, subsidy, and supply of affordable housing.	Investigate the use of community benefit agreements/statutory development agreements to incentivize affordable housing in nontraditional projects.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Create additional layers of subsidy through financial instruments.	Research and potentially develop a program on the use of municipal housing bonds.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Jun-25	Dec-25	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Create additional layers of subsidy through financial instruments.	Research and potentially develop a program of Synthetic Tax Increment Financing or a Land Use Incentive Grant (LUIG) to financially support affordable housing.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	4	Apr-27	Dec-27	Not started	Year 4 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.
	Create additional layers of subsidy through financial instruments.	Explore methods that ensure increases in property tax increases are invested back into marginalized communities.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Mar-26	Jun-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing.

	Create stabilization of the affordable housing inventory through relationship building.	Identify and build strong partnerships with developers who have a mission to provide sustainable affordable housing for a variety of family sizes and types.	Number of developers who build affordable units in Davidson increases. Number of developers who sign an affordable housing values commitment increases.	1	May-24	Ongoing	In Progress	Year 1 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create additional layers of subsidy through financial instruments and create stabilization of the affordable housing inventory.	Advocate and educate landlords on identifying ways to accept alternative forms of credit to secure home loans (i.e. including using on-time payments of rent, utilities and subscription services.), removing credit score requirements, background checks, SSNs, and/or removing credit ratio requirements.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	4	Mar-27	Dec-27	Not started	Year 4 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members.
C3: Update Chapter 5 of the DPO.	Develop regulatory strategies that support the stability, subsidy, and supply of affordable housing.	Explore revising the DPO to allow for multifamily housing types administratively if certain comprehensive plan policies are met and affordable housing is provided at a set percentage.	Research has been completed and presented to Affordable Housing & Equity Board, Planning Board, and Town Board through an affordable housing work session.	1	Apr-25	Sep-25	In Progress	Year 1 Priority	Staff time	Best practice in the field of Planning. Interactions with stakeholders, staff, developers, and community members.
	Develop regulatory strategies that support the stability, subsidy, and supply of affordable housing.	Revise the DPO to clean up and strengthen language in Chapter 5 to encourage more affordable units.	Research has been completed and presented to Affordable Housing & Equity Board, Planning Board, and Town Board through an affordable housing work session.	1	Jan-24	Feb-25	In Progress	Year 1 Priority	Staff time	Interactions with stakeholders, staff, developers, and community members.
	Develop regulatory strategies that support the stability, subsidy, and supply of affordable housing.	Explore eliminating parking minimums.	Research has been completed and presented to Affordable Housing & Equity Board, Planning Board, and Town Board through an affordable housing work session.	3	Jan-26	Aug-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice in the field of Planning.
	Develop regulatory strategies that support the stability, subsidy, and supply of affordable housing.	Explore removing all density limitations created by limitations in allowable structure types.	Research has been completed and presented to Affordable Housing & Equity Board, Planning Board, and Town Board through an affordable housing work session.	3	Jan-26	Aug-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice in the field of Planning.
C4: Develop a land acquisition and land banking program.	Develop evidence-based policies that support the stability, subsidy, and supply of affordable housing.	Research options for encouraging the inclusion of units to accommodate affordability in rehabilitated multifamily housing developments anytime a multifamily property is up for sale.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Jun-26	Dec-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice in the field of Planning.
	Develop evidence-based policies that support the stability, subsidy, and supply of affordable housing.	Explore the benefits of establishing or supporting a Community Land Trust.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	2	Mar-26	Jul-26	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members.
	Create and maintain the supply of the affordable housing inventory through land acquisition.	Investigate the feasibility of a land-banking, land acquisition, and land donation program for the potential development of affordable housing. Encourage land donation by dedicated residents, businesses, and other Town partners, including planned gifts.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	2	May-26	Nov-26	Not started	Year 2 Priority	Undetermined at this time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members.
	Create and maintain the supply of the affordable housing inventory through home acquisition.	Utilize the County Tax Administrator website to monitor foreclosures and identify homes that can be protected or added to the affordable housing inventory.		3	May-26	Nov-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members. Best practice in the field of Planning.

C5: Increase supply	Develop evidence-based policies that support the stability, subsidy, and supply of affordable housing.	Investigate allowing all building structures in all or most zoning districts.	Number of ADUs increases from baseline year.	3	Feb-26	Aug-26	Not started	Year 3 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members. Best practice in the field of Planning.
	Develop evidence-based policies that support the stability, subsidy, and supply of affordable housing.	Research how to incentivize and encourage mixed-income and intergenerational housing.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	2	May-26	Sep-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members. Best practice in the field of Planning.
C5: Develop a rental subsidy program.	Create additional layers of subsidy through financial assistance.	Develop a rental subsidy pilot program with Ada Jenkins Center.	A rental subsidy program gets funds to 22 DHC tenants.	1	May-23	Dec-24	In Progress	Year 1 Priority	\$162,000 per year	Interactions with stakeholders, staff, developers, and community members.
	Create additional layers of subsidy through financial assistance.	Develop a scalable tenant-based rental assistance program across affordable units in Town.	Number of tenants receiving assistance increases. Number of tenants paying more than 30% of their income towards rent and utilities decreases.	1	Sep-24	Ongoing	In Progress	Year 1 Priority	\$307,000 per year	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Interactions with stakeholders, staff, developers, and community members.

Preserve										
Goals	Strategy (Supply, Subsidy, or Stabilization)	Action Steps	Performance Metric	Priority Score	Begin Implementation Timeline	End Implementation Timeline	Progress to date	Year 1 & 2 Priority	Estimated Town Investment	Basis for Action
Goal P1: Develop an essential home improvement program.	Create stabilization of the affordable housing inventory through programs that help keep residents in their homes.	Explore updating the essential home improvement program based on what has worked, what hasn't worked, what the community needs, and funding sources.	An updated procedure includes this as part of the scope of work.	1	May-24	Oct-24	Completed	Year 1 & 2 Priority	\$250,000 annually for marketing, vendor work, administration, and materials (for 5 homes)	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create stabilization of the affordable housing inventory through programs that help keep residents in their homes.	Research developing a set of examples of cost-effective, sustainable, green, energy efficient, and high-quality standards that are followed to be used within the essential home improvement program.	An updated procedure includes this as part of the scope of work.	1			Not started	Year 1 & 2 Priority	One time cost of \$10,000 for marketing and plans.	Best practice in the field of sustainability. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create stabilization of the affordable housing inventory through programs that help keep residents in their homes.	Develop a standard to inspect trees and landscaping in every essential home improvement project.	An updated procedure includes this as part of the scope of work.	1	May-24	Aug-24	Completed	Year 1 & 2 Priority	Staff time	Best practice in the field of sustainability. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
Goal P2: Develop an urgent home repair program.	Create stabilization of the affordable housing inventory through programs that help keep residents in their homes.	Develop an urgent home repair program that meets the community need, utilizes a HUB-certified vendor, and is available 24-hours, 7-days per week.	A program is adopted by the Town Board and is monitored over time.	1	May-24	Sep-24	Completed	Year 1 & 2 Priority	\$50,000 annually for marketing, vendor work, administration, and materials (for 33 homes)	Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
Goal P3: Develop an enforcement and administration program.	Create and maintain the supply of the affordable housing inventory through programs that keep homes affordable.	Develop a program for the enforcement of deed restrictions associated with the DPO required affordable housing inventory.	A procedure is established, a schedule of annual certifications is tracked, and a process to manage the 30-year deed restriction update requirement is developed.	2	May-25	Aug-25	Not started	Year 2 Priority	Staff time	Evidence-based best practice in the field of affordable housing. Alignment with state law. Interactions with stakeholders, staff, developers, and community members.
Goal P4: Review and improve the regulatory environment.	Create and maintain the supply of the affordable housing inventory through programs that keep homes affordable.	Partner with Centralina on a grant-funded program through HUD PRO that explores the following: anti-displacement mechanisms, microunits and ADUs, protection from investors, and the regulation of in-home rentals.		2	Apr-25	Apr-26	In Progress	Year 1 & 2 Priority	Staff time	???
Goal P5: Develop an program that leverages historic preservation efforts.	Create and maintain the supply of the affordable housing inventory through historic preservation programs that keep homes affordable.	Consider developing a program that preserves homes built before 1970, focusing on shotgun, mill, rohouses, and bungalows.		3	Jun-25	Oct-25	Not started	Year 3 Priority	Staff time	Research-based best practice in the historic preservation and affordable housing field.
	Create and maintain the supply of the affordable housing inventory through historic preservation programs that keep homes affordable.	Explore adopting a deconstruction ordinance.		2	Feb-25	Jul-25	Not started	Year 2 Priority	Staff time	Research-based best practice in the historic preservation and affordable housing field.
	Create and maintain the supply of the affordable housing inventory through historic preservation programs that keep homes affordable.	Explore the legal framework around a first right of refusal ordinance for any home constructed prior to 1970.		4	Sep-26	Jan-27	Not started	Year 4 Priority	Staff time/Undetermined Acquisition Costs	Research-based best practice in the historic preservation and affordable housing field.
	Create and maintain the supply of the affordable housing inventory through historic preservation programs that keep homes affordable.	Explore the possibility of an affordable housing overlay for the Lakeside neighborhood.		2	Mar-25	Aug-25	Not started	Year 2 Priority	Staff time	Research-based best practice in the historic preservation and affordable housing field.

Support

Goals	Strategy (Supply, Subsidy, or Stabilization)	Action Steps	Performance Metric	Priority Score	Begin Implementation Timeline	End Implementation Timeline	Progress to date	Year 1 & 2 Priority	Estimated Town Investment	Basis for Action
Goal S1: Develop a Down Payment Assistance Program.	Create additional layers of subsidy through financial assistance.	Implement a down payment program through DreamKey Partners.	The number of individuals utilizing down payment assistance increases from the baseline of zero in 2023.	1	May-24	Oct-24	In Progress	Year 1 & 2 Priority	\$90,000 annually for marketing, vendor work, administration, and materials (for 9 households)	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
S2: Assess staffing and capacity.	Develop process improvements that support the stability, subsidy, and supply of affordable housing.	Develop an affordable housing action plan that helps establish a baseline of actions and indicators to measure and track progress.	An action plan is implemented and a corresponding tracking system is established and utilized by all affordable housing department staff.	1	May-24	Jul-24	Completed	Year 1 & 2 Priority	Staff time	Lived experience
	Develop process improvements that support the stability, subsidy, and supply of affordable housing.	Identify and leverage stakeholders that can help build department capacity.	Each program has a Town employee assigned to lead or has an organization with a formal contract assigned to manage the program.	1	May-24	Ongoing	In Progress	Year 1 and Ongoing	Staff time/Undetermined at this time	Best practice from other jurisdictions. Town staff request.
S3: Develop partnerships with affordable housing key players.	Create stabilization of the affordable housing inventory through relationship building.	Explore and define how we work with affordable housing stakeholders, create co-accountability, delineate roles and scope, and cement our understanding of the legal framework.	A definition of the role and what support looks like has been agreed upon and formalized by the respective entities.	1	May-24	Ongoing	In Progress	Year 1 and Ongoing	Staff time	Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create stabilization of the affordable housing inventory through relationship building.	Identify and help support local affordable housing developers from the Black, Indigenous, and Person of Color (BIPOC) community.	The number of developers from the local and BIPOC communities increases from the baseline.	3	Jun-26	Dec-26	Not started	Year 3 Priority	Staff time	Lived experience. Interactions with stakeholders, staff, developers, and community members.
S4: Identify sources of recurring funding.	Create additional layers of subsidy through financial assistance.	Research formalizing a living wage policy.	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Feb-26	Jun-26	Not started	Year 3 Priority	Staff time/Undetermined at this time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create additional layers of subsidy through financial assistance.	Research establishing an endowment for affordable housing. (to fund HOA fees? Maintaining)	Research has been conducted, displayed in a report, and captures the pros, cons, and financial implications of using this method.	3	Jan-26	Apr-26	Not started	Year 3 Priority	Staff time	Give Impact may be able to scope this out and perform the research earlier than these anticipated dates.
	Create additional layers of subsidy through financial assistance.	Seek and apply for grant opportunities that would provide funds for property acquisition.	At least one grant is applied for and awarded each fiscal year.	1	May-24	Ongoing	In Progress	Year 1 and Ongoing	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
	Create additional layers of subsidy through financial assistance.	Adopt a 1 cent property tax dedicated to affordable housing.	A recurring property tax was approved.	1	Apr-23	Ongoing	Completed	Year 1 Priority	Staff time	Interactions with stakeholders, staff, developers, and community members.
	Create additional layers of subsidy through financial assistance.	Explore incentives such as density bonuses, expedited approvals, fee waivers, and other subsidies that voluntary programs offer developers for building affordable units. (work with County)	The number of units increases as a positive correlation with incentives.	2	Jun-25	Oct-25	Not started	Year 2 Priority	Staff time/Undetermined at this time	Best practice in the affordable housing field. Input received from the development community.

	Create stabilization of the affordable housing inventory through tenant protections.	Explore options for a rental eviction mitigation, foreclosure prevention, and diversion program.	A program is adopted by the Town Board. The number of evictions is reduced from the baseline and continues to approach zero.	2	Apr-25	Aug-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
S5: Supportive Housing	Create stabilization in affordable housing through social programmatic design.	Document efforts supporting Town of Davidson housing options.	A procedure has been established and is being monitored for disparate impacts.	1	Aug-24	Oct-24	Completed	Year 1 Priority	Staff time/Resources to pay a property provider	Town Board request around employee workforce housing. Town employee request.
	Create stabilization in affordable housing through social programmatic design.	Develop a preference procedure for housing selection that includes monitoring and tracking for disparate impacts.	A procedure has been established and is being monitored for disparate impacts.	1	Jul-24	Oct-24	Completed	Year 1 Priority	Staff time	Town Board request. Best practice in equity and affordable housing. Community request.
	Create stabilization in affordable housing through social programmatic design.	Explore working with the County on a Housing First Program or work with Mecklenburg County on strengthening a partnership around one. (Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.)	A program is adopted by the Town Board.	2	Jun-25	Sep-25	Not started	Year 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions. Interactions with stakeholders, staff, developers, and community members.
S6: Process Innovation	Develop process improvements that support the stability, subsidy, and supply of affordable housing.	Establish programmatic oversight of financial monitoring that includes identifying existing grants and fund balances and ways to grow the balances for future use.	The fund balances have been portrayed on the dashboard. The funds continue to grow overtime (unless they are drawn upon).	1	May-24	Ongoing	In Progress	Year 1 & 2 Priority	Staff time	Best practice in the academic field of affordable housing. Evidence-based best practice in the field of affordable housing. Best practice from other jurisdictions.

Overall Metric	
Goals	Baseline
Number of affordable rental units in the Town's inventory increases over time.	2024 data shows 5 units in Town's rental inventory.
Number of affordable rental units located within the Town of Davidson Town limits increases over time.	2024 data shows X affordable rental homes within the Town limits.
Number of affordable for-sale units located within the Town of Davidson increases over time.	2024 data shows 142 affordable for-sale homes within the Town limits.
Number of Davidson residents stating they pay more than 30% of their income on rent/mortgage and utilities decreases over time.	No existing data.
Number of residents who say they can afford to live in Davidson increases over time.	No existing data.
Number of Town employees who say they can afford to live in Davidson increases over time.	2024 data shows that 1 in 33 full-time Town of Davidson employees states they can afford to live in Davidson.

Comprehensive Plan Metrics

5.2.1.A	Quantity of Affordable Housing Stock - Total <i>This metric describes the total amount of affordable housing units.</i>
5.2.1.B	Quantity of Affordable Housing Stock - Income Level Served (% of AMI) <i>This metric describes the amount of affordable housing units by income.</i>
5.2.1.C	Quantity of Affordable Housing Stock - Affordability Status (Temporary or Permanent) <i>This metric describes the proportion of affordable units based on occupancy.</i>

5.2.1.D	<p>Quantity of Affordable Housing Stock - Tenure type (Owner-occupied or Rental) <i>This metric describes the number of affordable units occupied by owners and renters.</i></p>
5.2.1.E	<p>Quantity of Affordable Housing Stock - Tenant Demographics <i>This metric describes the demographic composition of affordable unit tenants.</i></p>
5.2.2	<p>Quality of Affordable Housing Stock <i>This metric describes the proportion of affordable units in need of immediate or emergency repairs, short-term repairs (1-3 years), and long-term repairs or renovations (3-5 years).</i></p>
5.2.3.A	<p>Accessibility of Affordable Housing Stock - Proximity to Employment Centers <i>This metric describes the proportion of affordable units accessible to employment centers via a safe, continuous pedestrian route (< 1 mile).</i></p>
5.2.3.B	<p>Accessibility of Affordable Housing Stock - Proximity to High-Frequency Transit <i>This metric describes the proportion of affordable units accessible to high-frequency transit via a safe, continuous pedestrian route (< 0.5 mile).</i></p>
5.2.3.C	<p>Accessibility of Affordable Housing Stock - Proximity to Schools <i>This metric describes the proportion of affordable units accessible to pre- and K-8 education facilities via a safe, continuous pedestrian route (< 1 mile).</i></p>

5.2.3.D	<p>Accessibility of Affordable Housing Stock - Proximity to Parks or Greenways</p> <p><i>This metric describes the proportion of affordable units accessible to park and greenway facilities via a safe, continuous pedestrian route (< 0.5 mile).</i></p>
5.2.3.E	<p>Accessibility of Affordable Housing Stock - Proximity to Grocery Stores</p> <p><i>This metric describes the proportion of affordable units accessible to a grocery store via a safe, continuous pedestrian route (< 0.25 mile).</i></p>
5.2.3.F	<p>Accessibility of Affordable Housing Stock - Proximity to Amenities (Healthcare/Commercial Centers)</p> <p><i>This metric describes the proportion of affordable units accessible to primary care healthcare and commercial services via a safe, continuous pedestrian route (< 0.25 mile).</i></p>

S

Intended Outcome

Increase from the baseline of 1 in 33. Continue to approach 100% of Town employees stating they can afford to live in Davidson.

116
See Exhibit HE-1
0%

Owner - 77
Rental - 8

XX%

XX%

XX%

XX%

XX%

XX%

XX%

XX%

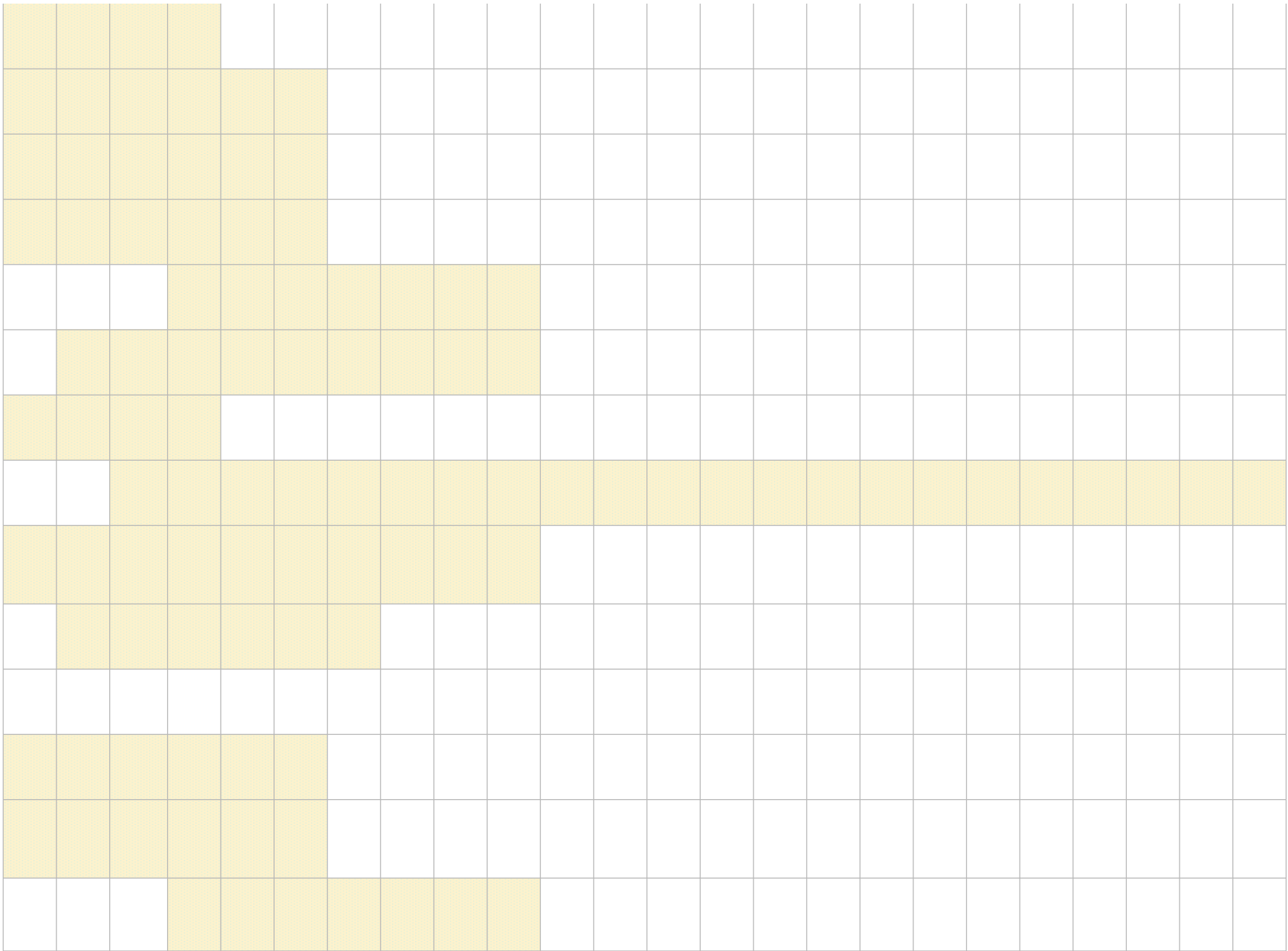
ACTION	Year		
		Jan	Feb
Educate			
Define affordable housing terms to build a shared understanding.	Year 1 Priority		
Educate the development community on what the DPO requires in terms of affordability through the creation of a developers toolkit.	Year 1 & 2 Priority		
Develop the fiscal acumen of Town staff around how they can access affordable housing financing, programs, training and exposure.	Year 1 Priority		
Work with a consortium in North Mecklenburg to develop, brand, and message the benefits of affordable housing.	Year 1 & 2 Priority		
Work with DreamKey Partners to expand their existing counseling program to the Town of Davidson.	Year 2 Priority		
Research a wealth-building program for those living in rental housing.	Year 3 Priority		
Encourage landlords to accept Housing Choice Vouchers.	Year 2 Priority		
Consider an ordinance requiring landlords to report tenant, pricing, and unit information annually.	Year 2 Priority		
Consider requiring landlords to submit annual reports to the Town on inspections, living conditions, and violation follow-ups.	Year 2 Priority		
Create			
Investigate the feasibility of private development community construct concrete pads with utilities installed and donating/landleasing to Habitat or other housing non-profits.	Year 2 Priority		
Conduct an analysis of publicly-owned land that could support construction of affordable housing.	Year 1 & 2 Priority		
Encourage and model usage of the 4% and 9% Low Income Housing Tax Credits (LIHTC) Programs.	Year 1 & 2 Priority		

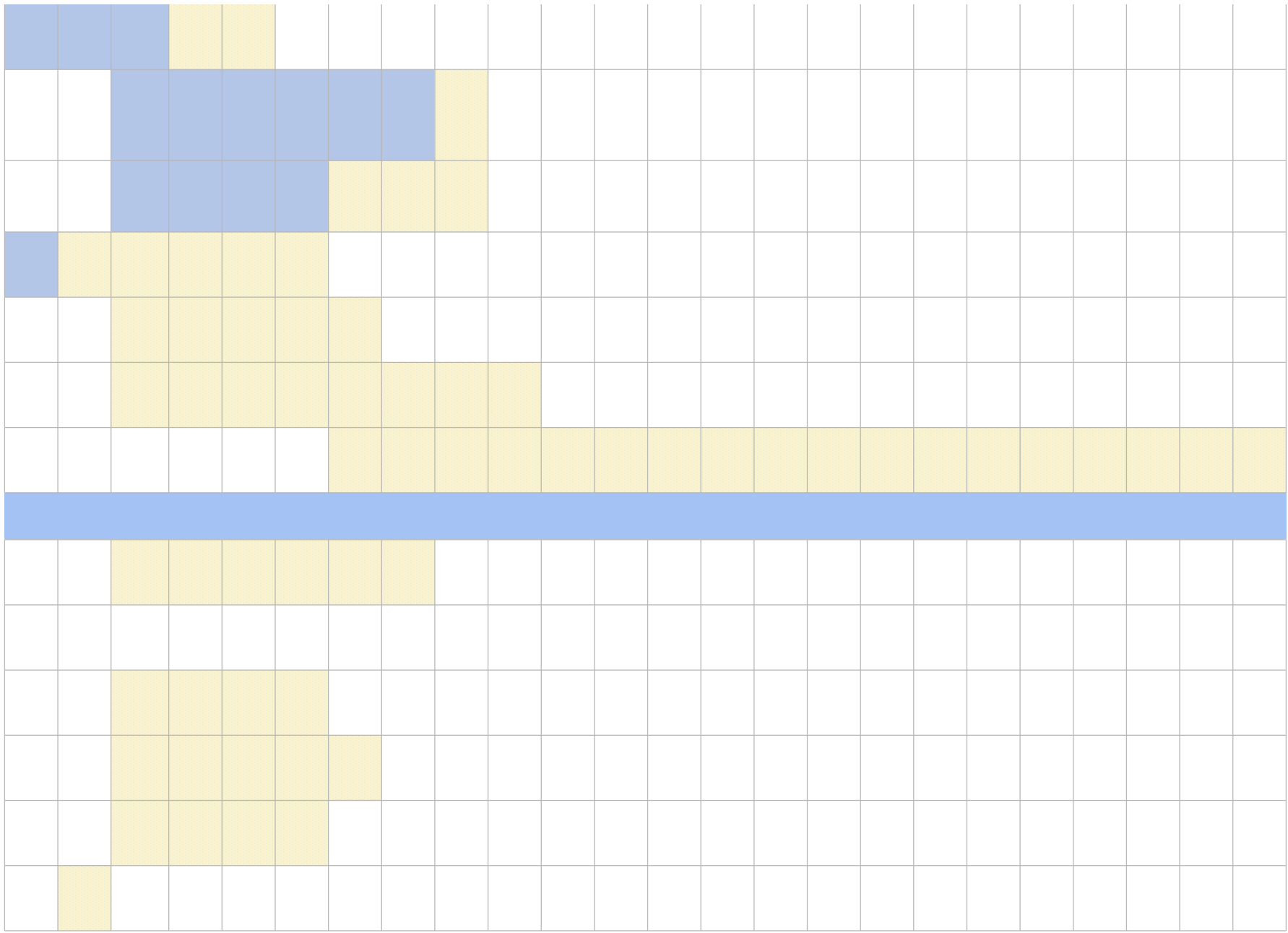
Investigate partnerships and a program that can provide a competitive affordable housing loan program for market rate, affordable developers and non-profits to apply for and utilize.	Year 3 Priority		
Collaborate with the County on exploring the possibility of a process for priority review for projects with an affordable housing component.	Year 2 Priority		
In conjunction with the County, Investigate the feasibility of reducing or eliminating fees for projects that meet affordability standards as part of the advocacy agenda.	Year 3 Priority		
Investigate the use of community benefit agreements/statutory development agreements to incentivize affordable housing in nontraditional projects.	Year 2 Priority		
Research and potentially develop a program on the use of municipal housing bonds.	Year 3 Priority		
Research and potentially develop a program of Synthetic Tax Increment Financing or a Land Use Incentive Grant (LUIG) to financially support affordable housing.	Year 4 Priority		
Explore methods that ensure increases in property tax increases are invested back into marginalized communities.	Year 3 Priority		
Identify and build strong partnerships with developers who have a mission to provide sustainable affordable housing for a variety of family sizes and types.	Year 1 Priority		
Advocate and educate landlords on identifying ways to accept alternative forms of credit to secure home loans (i.e. including using on-time payments of rent, utilities and subscription services.), removing credit score requirements, background checks, SSNs, and/or removing credit ratio requirements.	Year 4 Priority		
Explore revising the DPO to allow for multifamily housing types administratively if certain comprehensive plan policies are met and affordable housing is provided at a set percentage.	Year 1 & 2 Priority		
Revise the DPO to clean up and strengthen language in Chapter 5 to encourage more affordable units.	Year 1 Priority		
Explore eliminating parking minimums.	Year 3 Priority		
Explore removing all density limitations created by limitations in allowable structure types.	Year 3 Priority		
Research options for encouraging the inclusion of units to accommodate affordability in rehabilitated multifamily housing developments anytime a multifamily property is up for sale.	Year 3 Priority		

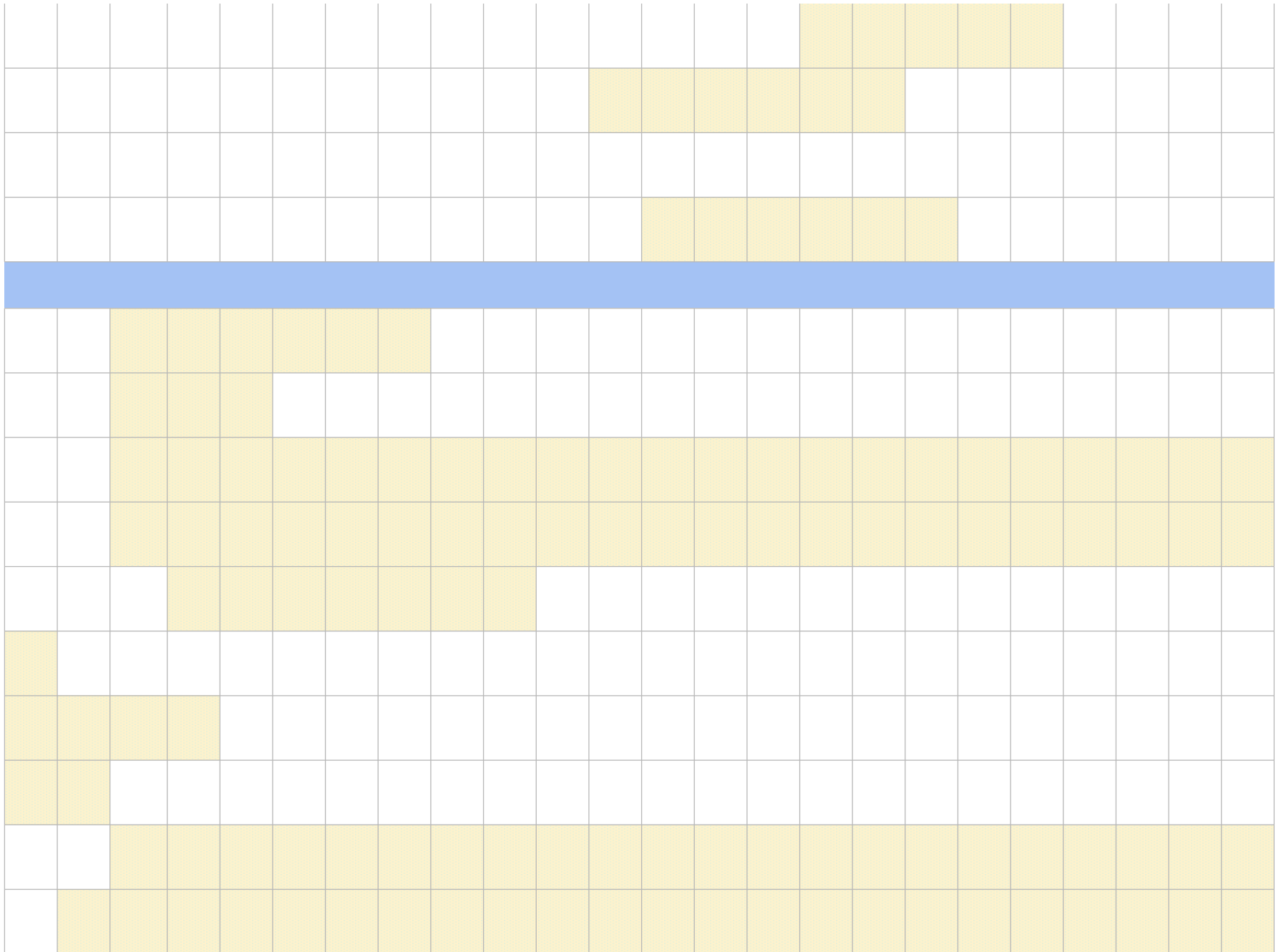
Explore the benefits of establishing or supporting a Community Land Trust.	Year 2 Priority		
Investigate the feasibility of a land-banking, land acquisition, and land donation program for the potential development of affordable housing. Encourage land donation by dedicated residents, businesses, and other Town partners, including planned gifts.	Year 2 Priority		
Utilize the County Tax Administrator website to monitor foreclosures and identify homes that can be protected or added to the affordable housing inventory.	Year 3 Priority		
Investigate allowing all building structures in all or most zoning districts.	Year 3 Priority		
Research how to incentivize and encourage mixed-income and intergenerational housing.	Year 2 Priority		
Develop a rental subsidy pilot program with Ada Jenkins Center.	Year 1 Priority		
Develop a scalable tenant-based rental assistance program across affordable units in Town.	Year 1 & 2 Priority		
Preserve			
Explore updating the essential home improvement program based on what has worked, what hasn't worked, what the community needs, and funding sources.	Year 1 & 2 Priority		
Research developing a set of examples of cost-effective, sustainable, green, energy efficient, and high-quality standards that are followed to be used within the essential home improvement program.	Year 1 & 2 Priority		
Develop a standard to inspect trees and landscaping in every essential home improvement project.	Year 1 & 2 Priority		
Develop an urgent home repair program that meets the community need, utilizes a HUB-certified vendor, and is available 24-hours, 7-days per week.	Year 1 & 2 Priority		
Develop a program for the enforcement of deed restrictions associated with the DPO required affordable housing inventory.	Year 2 Priority		
Partner with Centralina on a grant-funded program through HUD PRO that explores the following: anti-displacement mechanisms, microunits and ADUs, protection from investors, and the regulation of in-home rentals.	Year 1 & 2 Priority		

Consider developing a program that preserves homes built before 1970, focusing on shotgun, mill, rowhouses, and bungalows.	Year 3 Priority		
Explore adopting a deconstruction ordinance.	Year 2 Priority		
Explore the legal framework around a first right of refusal ordinance for any home constructed prior to 1970.	Year 4 Priority		
Explore the possibility of an affordable housing overlay for the Lakeside neighborhood.	Year 2 Priority		
Support			
Implement a down payment program through DreamKey Partners.	Year 1 & 2 Priority		
Develop an affordable housing action plan that helps establishes a baseline of actions and indicators to measure and track progress.	Year 1 & 2 Priority		
Identify and leverage stakeholders that can help build department capacity.	Year 1 and Ongoing		
Explore and define how we work with affordable housing stakeholders, create co-accountability, delineate roles and scope, and cement our understanding of the legal framework.	Year 1 and Ongoing		
Identify and help support local affordable housing developers from the Black, Indigenous, and Person of Color (BIPOC) community.	Year 3 Priority		
Research establishing a Guaranteed Income Program	Year 4 Priority		
Research formalizing a living wage policy.	Year 3 Priority		
Research establishing an endowment for affordable housing.	Year 3 Priority		
Seek and apply for grant opportunities that would provide funds for property acquisition.	Year 1 and Ongoing		
Adopt a 1 cent property tax dedicated to affordable housing.	Year 1 Priority		

Explore voluntary incentives such as density bonuses, expedited approvals, fee waivers, and other subsidies that voluntary programs offer developers for building affordable units.	Year 2 Priority		
Explore options for a rental eviction mitigation, foreclosure prevention, and diversion program.	Year 2 Priority		
Explore designing projects as trauma-informed and resilient communities.	Year 4 Priority		
Explore working with the County on a Housing First Program or work with Mecklenburg County on strengthening a partnership around one. (Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.)	Year 2 Priority		
Establish programmatic oversight of financial monitoring that includes identifying existing grants and fund balances and ways to grow the balances for future use.	Year 1 & 2 Priority		
Develop a preference procedure for housing selection that includes monitoring and tracking for disparate impacts.	Year 1 Priority		







AFFORDABLE HOUSING STRATEGIC FRAMEWORK

Educate

Marketing &
Communications
Plan

Homebuyer &
Homeownership
Education

Financial Literacy



Create

Town-owned Land
Evaluation &
Development

Developer
Incentives

Housing
Ordinance

Land Acquisition

Rental Subsidy
Program

Preserve

Essential Home
Improvement

Urgent Home
Repair

Enforcement &
Administration
(Ongoing
Maintenance)

Support

Down Payment
Assistance

Staffing &
Capacity

Partnerships

Recurring
Funding



AGENDA MEMO

To: Davidson Board of Commissioners
From: Alexander Cahill, Affordable Housing & Equity Director
Date: November 21, 2024
Re: Equitable Engagement Draft Framework

ITEM SUMMARY/OVERVIEW

The Town of Davidson is committed to preserving its unique character and charm while also promoting diverse representation, inclusive and welcoming environments, transparency, and accountability. One way that we ensure that these values are being upheld is through community engagement efforts.

ACTION/PROPOSED MOTION

Recommend approval of the Equitable Engagement Framework to the Town Board.

RELATED TOWN GOALS

Strategic Plan Alignment

Affordable Living, Equity & Inclusion - Work together to foster a culture of equity, belonging, inclusion, and advance the Town's Affordable Housing program. Provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice.

Core Values

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

NEXT STEPS



**Framework for
Equitable,
Inclusive, Valued,
and Empowered
Engagement**

Introduction

The Town of Davidson is committed to preserving its unique character and charm while also promoting diverse representation, inclusive and welcoming environments, transparency, and accountability. One way that we ensure that these values are being upheld is through community engagement efforts.

This Engagement Framework is designed to align with the values of the Town of Davidson while ensuring that our engagement approach is equitable, accessible, inclusive, and empowering. This framework aims to ensure that community voices, especially those from historically marginalized and underserved populations, are heard and, where possible, represented in the Town of Davidson's decision-making process, and minimize adverse effects and maximize benefits for low-income and priority groups.





Background

The Town of Davidson has a long-standing commitment to community engagement and recognizes a need for a standardized, intentional, and equitable approach.

Davidson's position within the growing Charlotte-Mecklenburg Metropolitan region adds urgency to the need for community engagement. As development pressures and the demand for more housing, specifically affordable housing increase, the Town of Davidson will work to ensure that

residents are not only informed, but also actively engaged. Inspired by other North Carolina jurisdictions, this framework aims to address the systemic barriers that prevent participation from all members of our community in Town's decision-making. The Town of Davidson seeks to build on other North Carolina models, adapting it to the Town's unique values of community character, sustainability, and inclusion, as outlined in the Davidson Comprehensive Plan and Climate Action Plan. Through this framework, Davidson aims to shift the focus from simply gathering feedback to fostering long-term relationships with its population, ensuring that the Town's future reflects the needs and aspirations of its current and future residents.



What is Equitable Engagement?

Equitable, inclusive, valued, and empowered engagement is a process that goes beyond traditional community engagement by prioritizing the participation of those who are most affected by governmental decisions yet often least represented. Equitable engagement seeks to ensure that a representative cross-section of a community is actively involved in the decision-making processes.

The goal of cultivating equitable engagement is to center voices that have historically been marginalized or underserved because these are

the community members who are most likely to experience the greatest impact from public policies and Town projects. Collecting lived experience and community voice information from the entire community is a key value of this. This type of engagement requires identifying and addressing systemic barriers that limit access; such as language differences, financial constraints, or lack of access to information; and providing resources like stipends, transportation, childcare, and translation services to remove those barriers. Equitable engagement emphasizes transparency, power-sharing, and accountability, ensuring that contributions from all participants are respected and integrated into decision-making. This approach fosters trust, builds long-term relationships, and ensures that communities are not just informed, but empowered to take action to help shape the outcomes that impact their lives.



Guiding Principles

The following principles will shape Davidson's engagement strategy:

- **Inclusivity:** Ensure that outreach includes people from representative demographics, including race, ethnicity, age, gender, and socio-economic backgrounds, with a particular focus on those most impacted by decisions.
- **Accessibility:** Reduce barriers to participation by providing stipends, childcare, accessible meeting spaces, and translation services (as funding allows).



- **Transparency:** Communicate openly with residents about decision-making processes, including what is being decided and how their input will be used.
- **Collaboration:** Work with community partners, organizations, and local media to extend outreach and build trust.
- **Long-term Relationships:** Develop ongoing relationships with community members, prioritizing sustained engagement beyond one-time events.
- **Acknowledgment:** Acknowledge Davidson's past and present inequities. Acknowledge those working to advance the public good.



Goals

The primary goals of this framework are to:

1. **Ensure Representation:** Engage a cross-section of Davidson's population that reflects its diversity, focusing on key geographic and demographic factors.
2. **Center Equity:** While engaging all, emphasize communities most affected by Town decisions and those who have been historically marginalized or excluded. For community efforts with a goal of equitable opportunity and outcomes to reach that goal, equity must be embedded all throughout. Equity must be part at the center of the “doing,” not seen as an add-on or distraction.
3. **Build Trust:** Establish long-term relationships with community members through transparent and responsive engagement.
4. **Compensate Participation:** Provide stipends (when funds are available) to reduce barriers to participation and compensate community members for their time and contributions.
5. **Sustain Participation:** Foster ongoing engagement by providing multiple opportunities for community input at various stages of projects.
6. **Avoid Extraction:** In the extraction model of engagement, communities are not involved in developing the scope, process, or the validity of the findings. This can lead to outsiders obtaining information rather than local people gaining and using it. It can also lead to burnout and engagement fatigue.
7. **Validate Qualitative and Quantitative Methods of Data Collection in Engagement:** Create and perpetuate a system where qualitative comments and stories from community engagement are used to complement and support quantitative data.

How Do We Engage Our Residents Equitably?

Step 1: Define the Level of Engagement

- **Inform:** Provide clear information about Town projects, policies, and decisions. Use newsletters, social media, and other community mediums to share information.
- **Consult:** Gather feedback through surveys, public comment periods, and focus groups.
- **Involve:** Provide opportunities that encourage active participation in discussions through Town meetings, workshops, and events.
- **Collaborate:** Partner with community members to co-design and implement projects, including advisory committees and task forces. Consider providing stipends to participants who engage in extended consultations, especially from underrepresented groups (as funding permits).
- **Value:** Value what we hear by documenting comments received and incorporating comments where possible.
- **Empower:** Design measures to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way while acting on their own authority.

Step 2: Identify Who to Engage

- While engaging all, prioritize engagement with historically underrepresented groups.
- Gather baseline demographic data to ensure representative participation, focusing on the Davidson community's socio-cultural and geographic diversity.
- Establish partnerships with local organizations, churches, schools, and other community centers to broaden outreach
- Identify who would be most impacted by the project, process, or decision

How Do We Engage Our Residents Equitably?

Step 3: Overcome Barriers to Participation

- **Provide Stipends:** Offer financial compensation for participation to community members who engage in consultations, serve on advisory boards, or contribute substantial time to engagement activities (as funding allows).
- **Childcare:** Offer childcare services during in-person engagement sessions to remove barriers for families or provide childcare reimbursement.
- **Accessibility:** Ensure meeting spaces are ADA-compliant. Offer virtual options to accommodate various schedules when possible.
- **Language Services:** Provide translated materials and interpretation services to accommodate non-English speakers. Ensure translators are compensated for their work. Provide information in both English and Spanish and monitor trends in other non-English language prevalence.
- **Transportation:** Provide transportation services, transit passes, or reimbursement to ensure residents can attend events, including through Charlotte-Area STS, Microtransit, or Rideshare reimbursement.
- **Timing:** Recognize non-traditional work and those who have to work multiple shifts to make ends meet. Schedule with these time barriers in mind.

Step 4: Measure Success

- Use quantitative and qualitative metrics to track the representation and level of participation. Ensure demographic and geographic data collection is part of every engagement effort.
- Assess whether engagement efforts successfully reached underrepresented groups and adjust strategies accordingly. Success should not only be based on numbers but also on the quality of engagement.

Step 5: Build Long-Term Relationships

- Foster ongoing relationships by keeping the community informed about the impact of their comments.
- Maintain open communication channels for future engagement opportunities, ensuring continuous participation from diverse groups.



Stipends and Incentives for Participation

In an effort to encourage participation and remove barriers for community members, particularly those from low-income or historically excluded groups, the Town of Davidson will (when funding is available):

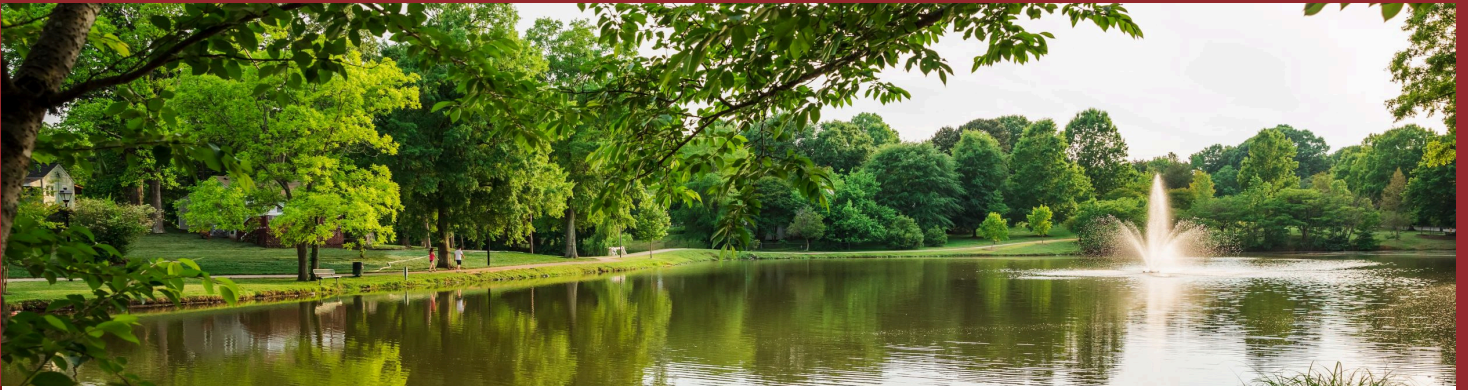
- Provide stipends to residents who dedicate time to advisory boards, task forces, or extensive engagement activities
- Compensate community members who assist with outreach efforts for and with the Town
- Compensate community member who co-lead or co-design engagement and/or outreach efforts for and with the Town

Town staff should refer to the Stipend Policy, Policy XX-XXX, when determining if a stipend should be provided.

Implementation and Accountability

- **Community Engagement Team:** Establish a dedicated team responsible for planning and executing engagement efforts. The team will include representatives from representative community groups and Town staff.
- **Accountability Mechanisms:** Regularly review the demographic and geographic data collected during engagement efforts to ensure goals of representation are being met.
- **Decision Rationale:** When outcomes differ from popular opinion, the majority, or the loudest voices – this will be mitigated through gaining buy-in on trade-offs early in the process.
- **Flexibility:** The engagement process will remain flexible to adapt to changing community needs and to continuously improve based on participant and non-participant feedback.
- **Transparency:** The comments collected will be posted on the Town's website or designated platform and made available within 2 weeks of an engagement event or session, in their raw form.
- **Attribution:** When commentary or feedback is used, it will be attributed to the source (the event it was collected at). Comments that are not used to inform decisions will be clearly denoted as such.





Strategies in Our Toolkit

Enlisting the Right Messengers

Work with community leaders to identify and enlist the people in the community who can help gain broader participation. They can include our staff members and colleagues, faith leaders, neighborhood leaders, advisory boards, and youth activists.

Encouraging Ownership of the Process

Encourage community members to tell their own stories about equitable engagement and why it is important to them can provide a sense of ownership of the plans and programs, fostering authentic and sustained community-based engagement and advocacy.

Meeting People Where They Are

Create opportunities to talk and listen to community members at places where they already meet, feel comfortable, or feel safe.

Listening

Listen closely to the feedback shared and engage community members and voices that have not been heard in the process.

Thematizing

Create qualitatively themed buckets of information to better organize, sort, and utilize community comments.

Scalability

Recognize the Town of Davidson needs to scale efforts to align with our resources and overall strategic goals.

Strategies in Our Toolkit

Monitoring

Monitor participation throughout the process and refer back to this guide to refine your methods of keeping the community involved as needed.

Demonstrate

Demonstrate to the community how their comments are helping to inform the process.

Metrics

Use community-informed metrics or equity indicators to assess how effective and equitable the engagement process is and how it can be improved for future events.



What this framework is not?

This framework cannot plan for every event that may arise in engagement efforts. While it is a robust and comprehensive framework, it is meant to work to support other Town initiatives and plans. This framework does not apply to public comments made at public hearings or in front of Boards or Commissions (those comments are regulated by statutes and bylaws).

How to use this framework?

This framework is guidance that should be used when planning engagement processes. Any project that would benefit from an engagement effort should use this guide.

